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Senate

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, the Reverend Ron Mehl, Beaverton Foursquare Church, Beaverton, OR, invited by Senator MARK HATFIELD.

We are pleased to have you with us.

PRAYER

The guest Chaplain, the Reverend Ron Mehl, offered the following prayer:

Let us pray:

Dear Father, we come before You this morning to express the deep need we feel as a nation to be touched by Your mighty power and sustained by Your sovereign grace. We thank You for the gifted leaders You have placed in positions of authority in our land. We know that great leaders are first good followers, so teach us to hunger for wisdom from above, that we may know what is the right thing to do, and give us the courage to do it. Resurrect in us a deep hunger for revival, and awaken in us a passion for righteousness to rule and reign in our land. This day we pray for our leaders, their families and friends, and ask that You might reward them for their faithfulness, sacrifice, and service. Give us a revelation of Yourself. Open our eyes to the truth that the task You have called us to is greater than we are. Today we acknowledge our utter dependence upon You and the need we feel to seek Your counsel daily, for You are the fountainhead of all truth, the truth that truly makes us free. In Your holy and mighty name, we pray. Amen.

The PRESIDENT pro tempore. The able senior Senator from Oregon, Senator HATFIELD, is recognized.

Mr. HATFIELD. Thank you, Mr. President.

WELCOME TO REV. DR. RON MEHL

Mr. HATFIELD. Mr. President, it is my great pleasure today to introduce to my colleagues Rev. Ron Mehl, pastor of Beaverton Foursquare Church. Over the past several years, I have joined the ranks of Reverend Mehl's admirers. Uncompromising leadership and commitment to God have enabled him to embody the Biblical mandate to ''speak the truth in love.''

Reverend Mehl pastors Oregon's Beaverton Foursquare Church. Twenty-three years under his gifted teaching have made this one of Oregon's healthiest and most dynamic churches. Thousands sit in the pews of Beaverton Foursquare weekly. There are three services on Sunday, perhaps going to a fourth because of the tremendous turnout that holds some 2,500 or 3,000 people in the church sanctuary.

When I am home, I count myself privileged to be one of many to hear Reverend Mehl's Biblical preaching.

A man dedicated to pursuing God's calling, he has served in many ways over the years. Besides being a gifted preacher and counselor, Reverend Mehl is a celebrated author of three books, one of which, ''God Works the Night Shift,'' recently won the Evangelical Christian Publisher's Gold Medallion Award in the category of ''inspirational.''

The Reverend Billy Graham, whom we recently honored, once said, ''The greatest form of praise to God is the sound of consecrated feet seeking out the lost and helpless.'' Reverend Mehl has spent the majority of his life doing just that—reaching out with the message of Christ and encouraging others to do the same.

In I Peter, the apostle writes, ''Each one should use whatever gift he has received to serve others, faithfully administering God's grace in its various forms.—I Peter 4:10. Reverend Mehl is a faithful steward of the gifts he has received and is an able administrator of God's grace.

He has also been blessed by his wife Joyce and their two sons, Ron, Jr., and Mark. I had the pleasure of getting to know Mark 3 years ago when he participated in my internship program. Mark's strong character shone through during his brief tenure in my office, a great tribute to his parents in their rearing.

Again, on behalf of my Senate colleagues we are privileged that Reverend Mehl is willing to fulfill the duties of Senate Chaplain today, and I would like to officially welcome him to this Chamber.

I yield the floor.

SCHEDULE

Mr. HATFIELD. Mr. President, the Senate will immediately resume consideration of Senate Concurrent Resolution 57, the concurrent budget resolution. There are 8.5 hours of debate time remaining on the resolution with that time equally divided. When all time has expired or is yielded back, Senators can expect a large number of consecutive rollcall votes on or in relation to amendments to the budget resolution. Those votes could begin as early as this afternoon, or, if necessary, be ordered to begin on Wednesday morning.

I now ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m., in order to accommodate the weekly party conferences, and that the time during recess be deducted from the remaining debate limitation.

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, Senate leadership time is reserved.

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

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CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. The Senate will resume consideration of Senate Concurrent Resolution 57, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the bill.

Pending:

Boxer amendment No. 3982, to preserve, protect, and strengthen the Medicaid program by controlling costs, providing State flexibility, and restoring critical standards and protections, including coverage for all populations covered under current law, to restore $18 billion in excessive cuts, offset by corporate and business tax reforms, and to express the sense of the Senate regarding certain Medicaid reforms.

Wyden/Kerry amendment No. 3984, to express the sense of the Senate regarding revenue assumptions.

Wellstone amendment No. 3985, to express the sense of the Senate on tax deductibility of higher education tuition and student loan interest costs.

Wellstone/Kerry amendment No. 3986, to express the sense of the Senate that funds will be available to hire new police officers under the Community Oriented Policing Service.

Wellstone amendment No. 3987, to express the sense of the Senate that Congress will not enact or adopt any legislation that would increase the number of children who are hungry or homeless.

Wellstone amendment No. 3988, to express the sense of the Senate with respect to maintaining current expenditure levels for the Low Income Home Energy Assistance Program for fiscal year 1997.

Wellstone amendment No. 3989, to express the sense of the Senate with respect to the interrelationship between domestic violence and welfare.

Kerry amendment No. 3990, to restore proposed cuts in the environment and natural resources programs, to be offset by the extension of expired tax provisions or corporate and business tax reforms.

Kerry amendment No. 3991, to increase the Function 500 totals to maintain levels of education and training funding that will keep pace with rising school enrollments and the demand for a better-trained workforce, to be offset by the extension of expired tax provisions or corporate and business tax reforms.

Kyl amendment No. 3995, to express the sense of the Senate regarding a supermajority requirement for raising taxes.

Kyl amendment No. 3996, to providing funding for the Low Income Home Energy Assistance Program through fiscal year 2000.

Kennedy amendment No. 3997, to express the sense of the Congress that the reconciliation bill should maintain the existing prohibition against additional charges by providers under the medicare program.

Kennedy amendment No. 3998, to express the sense of the Congress that the reconciliation bill should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards.

Kennedy amendment No. 3999, to express the sense of the Congress that provisions of current medicaid law protecting families of nursing home residents from experiencing financial ruin as the price of needed care for their loved ones should be retained.

Kennedy amendment No. 4000, to express the sense of the Senate relating to the protection of the wages of construction workers.

Byrd amendment No. 4001, to increase overall discretionary spending to the levels proposed by the President, offset by the extension of expired tax provisions or corporate and business tax reforms.

Lott/Smith amendment No. 4002, to express the sense of the Congress regarding reimbursement of the United States for the costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum originating from Iraq.

Simpson/Moynihan amendment No. 4003, to express the sense of the Senate that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal government.

Graham amendment No. 4007, to create a 60 vote point of order against legislation diverting savings achieved through medicare waste, fraud and abuse enforcement activities for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund.

Ashcroft modified amendment No. 4008, to provide for an income tax deduction for the old age, survivors, and disability insurance taxes paid by employees and self-employed individuals.

Gramm amendment No. 4009, to express the sense of the Congress that the 1993 income tax increase on Social Security benefits should be repealed.

Brown amendment No. 4010, to express the sense of the Senate that there should be a cap on the application of the civilian and military retirement COLA.

Harkin amendment No. 4011, to provide that the first reconciliation bill not include Medicaid reform, focusing mainly on Welfare reform by shifting Medicaid changes from the first to the second reconciliation bill.

Harkin (for Specter) amendment No. 4012, to restor e funding for education, training, and health programs to a Congressional Budget Office freeze level for fiscal year 1997 through an across the board reduction in Federal administrative costs.

Bumpers amendment No. 4013, to establish that no amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

Bumpers amendment No. 4014, to eliminate the defense firewalls.

Thompson amendment No. 3981, to express the sense of the Senate on the funding levels for the Presidential Election Campaign Fund.

Murkowski amendment No. 4015, to prohibit sense of the Senate amendments from being offered to the budget resolution.

Simpson (for Kerrey) amendment No. 4016, to express the sense of the Senate on long term entitlement reforms.

Snowe amendment No. 4017, to express the sense of the Senate that the aggregates and functional levels included in the budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans.

Chafee/Breaux amendment No. 4018, in the nature of a substitute.

Domenici (for Dole/Hatch/Helms) amendment No. 4019, to express the sense of the Senate that the Attorney General should investigate the practice regarding the prosecution of drug smugglers.

Feingold amendment No. 3969, to eliminate the tax cut.

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

The PRESIDING OFFICER. Without objection, the time will be charged equally, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. 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. EXON. Mr. President, I ask unanimous consent that the pending amendment before the Senate be temporarily set aside so that we can entertain two amendments by previous agreement, the first to be offered by the Senator from Michigan, the second to be offered by the Senator from North Carolina. Both have been cleared, and we can move ahead on them. I would appreciate very much if the Chair would see fit to recognize the Senator from Michigan at this time for his statement and the introduction of the amendment.

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

The Senator from Michigan [Mr. LEVIN] is recognized.

Mr. LEVIN. I thank the Chair. I thank my good friend from Nebraska.

AMENDMENT NO. 4020

Mr. LEVIN. Mr. President, the sense-of-the-Senate amendment which I will offer in a moment will put the Senate on record in support of sufficient funding in order that the National Institute on Drug Abuse, or NIDA, be able to continue to increase the pace of discovery of an antiaddiction drug, or drugs, in order to block the craving for illicit addictive substances.

This sense-of-the-Senate amendment expresses our sentiment that amounts that are appropriated to the National Institutes of Health should be increased by amounts above the fiscal year 1996 appropriations for this form of NIDA research. This effort is to discover antiaddiction drugs so that the craving which exists for them can be blocked. The amounts in this sense-of-the-Senate resolution are based on meetings and discussions with NIDA officials about what resources would be necessary to expedite the development of these illicit drug blocking agents, and the increase that would be recommended here in the sense-of-the-Senate amendment would be $33 million in fiscal year 1997, $67 million for fiscal year 1998, and $100 million for each of the fiscal years 1998 through 2002.

There have been some significant breakthroughs already by NIDA. NIDA researchers have recently shown that activation in the brain of one type of dopamine receptor suppresses the drug-seeking behavior, whereas activation of another triggers drug-seeking behavior. Another significant finding in this past year is the successful immunization of animals against the psychostimulant effects of cocaine. In 1993, NIDA announced the FDA approval of a medication called LAAM for heroine addiction. One of LAAM's

advantages over methadone is that it does not need to be taken daily.

These are but a few of the exciting discoveries in drug abuse research that have been made over the past several years.

Stemming the tide of drug addiction by trying to find these anticraving substances is in the best interests of all of us, particularly the innocent victims of drug-related offenses. We spend at the State and local level and at the Federal level billions and billions and billions of dollars to incarcerate people who commit drug-related offenses.

A 1992 report by the Bureau of Justice revealed that three out of four jail inmates reported illicit drug use in their lifetime and more than 40 percent had used drugs in the month before their offense, with 27 percent under the influence of drugs at the time of their offense. A significant percentage also said that they were trying to obtain money for drugs when they committed their crime.

More than 60 percent of juveniles and young adults in State-operated juvenile institutions reported using illicit drugs once a week or more for at least a month during some time in the recent past and almost 40 percent reported being under the influence of drugs at the time of their offense.

The National Institute on Drug Abuse has presented us with some unprecedented opportunities to understand and to treat addiction and to block craving. We should support that effort and the progress which has been made with a funding level which will enhance the efforts of NIDA to achieve these breakthroughs. We will all benefit. We will benefit in terms of our safety. We will benefit in terms of the Nation's resources if we can finally discover agents which will block the craving for cocaine and for other illicit drugs. NIDA does the majority of research in this area in the world.

So I hope that this sense-of-the-Senate amendment will be adopted which will put us on record as encouraging these additional funds so as to promote the efforts of the National Institute on Drug Abuse. I now will send this amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 4020.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTE OF DRUG ABUSE.

(a) FINDINGS.—Congress finds the following:

(1) The National Institute on Drug Abuse (hereafter referred to in this section as ''NIDA'') a part of the National Institutes of Health (hereafter referred to in this section as ''NIH'') supports over 85 percent of the world's drug abuse research that has totally revolutionized our understanding of addiction.

(2) One of NIDA's most significant areas of research has been the identification of the neurobiological bases of all aspects of addiction, including craving.

(3) In 1993, NIDA announced that approval had been granted by the Food and Drug Administration of a new medication for the treatment of heroin and other opiate addiction which breaks the addict of daily drug-seeking behavior and allows for greater compliance because the patient does not need to report to a clinic each day to have the medication administered.

(4) Among NIDA's most remarkable accomplishments of the past year is the successful immunization of animals against the psychostimulant effects of cocaine.

(5) NIDA has also recently announced that it is making substantial progress that is critical in directing their efforts to identify potential anti-cocaine medications. For example, NIDA researchers have recently shown that activation in the brain of one type of dopamine receptor suppresses drug-seeking behavior and relapse, whereas activation of another, triggers drug-seeking behavior.

(6) NIDA's efforts to speed up research to stem the tide of drug addiction is in the best interest of all Americans.

(7) State and local governments spend billions of dollars to incarcerate persons who commit drug related offenses.

(8) A 1992 National Report by the Bureau of Justice Statistics revealed that more than 3 out of 4 jail inmates reported drug use in their lifetime, more than 40 percent had used drugs in the month before their offense with 27 percent under the influence of drugs at the time of their offense. A significant number said they were trying to get money for drugs when they committed their crime.

(9) More than 60 percent of juveniles and young adults in State-operated juvenile institutions reported using drugs once a week or more for at least a month some time in the past, and almost 40 percent reported being under the influence of drugs at the time of their offense.

(10) This concurrent resolution proposes that budget authority for the NIH (including NIDA) be held constant at the fiscal year 1996 level of $11,950,000,000 through fiscal year 2002.

(11) At such appropriation level, it would be impossible for NIH and NIDA to maintain research momentum through research project grants.

(12) Level funding for NIH in fiscal year 1997 would reduce the number of competing research project grants by nearly 500, from 6,620 in fiscal year 1996 to approximately 6,120 competing research project grants, reducing NIH's ability to maintain research momentum and to explore new ideas in research.

(13) NIH is the world's preeminent research institution dedicated to the support of science inspired by and focused on the challenges of human illness and health.

(14) NIH programs are instrumental in improving the quality of life for Americans through improving health and reducing monetary and personal costs of illnesses.

(15) The discovery of an anti-addiction drug to block the craving of illicit addictive substances will benefit all of American society.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that amounts appropriated for the National Institutes of Health—

(1) for fiscal year 1997 should be increased by a minimum of $33,000,000;

(2) for fiscal year 1998 should be increased by a minimum of $67,000,000;

(3) for fiscal year 1999 should be increased by a minimum of $100,000,000;

(4) for fiscal year 2000 should be increased by a minimum of $100,000,000;

(5) for fiscal year 2001 should be increased by a minimum of $100,000,000; and

(6) for fiscal year 2002 should be increased by a minimum of $100,000,000;

above its fiscal year 1996 appropriation for additional research into an anti-addiction drug to block the craving of illicit addictive substances.

Mr. LEVIN. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. I thank my good friend and colleague from the State of Michigan, Senator LEVIN, for the amendment that I had indicated earlier has been cleared on both sides. This is an important sense-of-the-Senate resolution, and I appreciate the cooperation we have had from Senator LEVIN and his staff on this matter.

We are about ready to have proposed in behalf of Senator HELMS from North Carolina an amendment that likewise has been cleared on both sides. Then we can move the adoption of those by voice vote. Awaiting the arrival of one Member on the Senate floor, I suggest the absence of a quorum.

Mr. LEVIN addressed the Chair.

Mr. EXON. I withhold.

Mr. LEVIN. If the Senator will withhold, let me simply thank my good friend from Nebraska and his staff and the staff on the Republican side who have worked with us to clear this amendment. As always, I have had great response from my friend from Nebraska and the Republicans on this issue. It is an important issue for all America. I am grateful for their help.

Mr. EXON. I thank the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4018

Mr. BROWN. Mr. President, I wanted to add a word of support for the very diligent effort of the Senator from Rhode Island and the bipartisan group he has gathered together to offer a budget alternative. I am very mindful of the remarks made by the distinguished Senator from New Mexico when he observed yesterday that such a change in budget, to be enacted, would literally require the President's help and support. Certainly we have learned this last year; that, indeed, progress for reconciliation has to include the President. But I intend to vote for the Chafee amendment. I think it brings two factors to it that are worth considering.

First of all, it is bipartisan. It is the only major bipartisan proposal that is here and, I think, as such, has a chance of making it all the way through reconciliation.

Second, I am going to support it because, of the alternatives, it has the strongest impact long term, that is beyond the 6-year window or the 7-year window. Long term, it is significantly better in deficit reduction.

For those two reasons I salute the efforts of Senator CHAFEE, and I will probably vote for it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

AMENDMENT NO. 4020

The PRESIDING OFFICER. The Chair will inform the Senator that the pending amendment is the amendment offered by Mr. LEVIN.

Mr. EXON. Mr. President, I am back to see if possibly we could at this time clear the two amendments agreed to earlier. Has the amendment by the Senator from North Carolina been offered?

I am prepared to yield back time on the Levin amendment, which we will agree to by a voice vote. I likewise assume we will move forward with the amendment of the Senator from North Carolina, which I assume has been cleared on both sides.

I yield back the remainder of the time on the Levin amendment.

Mr. DOMENICI. Do I have the time in opposition? I yield back the time in opposition to the Levin amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4020) was agreed to.

AMENDMENT NO. 4021

(Purpose: To express the sense of the Senate regarding the extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of Senator HELMS. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. HELMS, proposes an amendment numbered 4021.

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

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

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE EXTENSION OF THE EMPLOYER EDUCATION ASSISTANCE EXCLUSION UNDER SECTION 127 OF THE INTERNAL REVENUE CODE OF 1986.

(a) FINDINGS.—The Senate finds that—

(1) since 1978, over 7,000,000 American workers have benefited from the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 by being able to improve their education and acquire new skills without having to pay taxes on the benefit;

(2) American companies have benefited by improving the education and skills of their employees who in turn can contribute more to their company;

(3) the American economy becomes more globally competitive because an educated workforce is able to produce more and to adapt more rapidly to changing technologies;

(4) American companies are experiencing unprecedented global competition and the value and necessity of life-long education for their employees has increased;

(5) the employer education assistance exclusion was first enacted in 1978;

(6) the exclusion has been extended 7 previous times;

(7) the last extension expired December 31, 1994; and

(8) the exclusion has received broad bipartisan support.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue level assumed in the Budget Resolution accommodate an extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 from January 1, 1995, through December 31, 1996.

Mr. HELMS. Mr. President, this sense-of-the-Senate resolution calls for the extension of a critical education tax provision that enables American workers to further their education and better provide for their families. I have vigorously supported this education tax credit since its initial authorization in 1978. This provision has allowed millions of American men and women to acquire new skills and pursue their educational goals.

Our Government, being a republic, relies on the promotion of a moral and principled citizenry, education is central to the continued vitality of America. President Thomas Jefferson put it this way: ''If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be.''

The Federal Government has promoted education and individual choice through the educational assistance exclusion, codified at section 127 of the Internal Revenue Code, a provision that allows employees to receive up to $5,250 a year, tax-free, in educational benefits from their respective employers.

When this provision expired on December 31, 1994, it left many workers and companies uncertain about the Federal Government's commitment to the promotion of worker education and retraining. That uncertainty increased last year, when President Clinton vetoed the Balanced Budget Act that would have extended the credit through December 31, 1996.

Mr. President, over the years, this provision has enjoyed wide bipartisan support, resulting in its reauthorization seven times. I hope Senators will once again support extension of this education tax credit which has done so much to help our Nation's workers and employers alike. Accordingly, I offer today a sense-of-the-Senate resolution that provides that Congress should include, in any appropriate tax legislation, an extension of this critically needed tax credit.

Neither the need for education nor the need for acquiring new skills stops when a young person receives a high school diploma. Increasingly, education and worker training have become lifelong pursuits.

My home State of North Carolina has been hit hard by plant closings during the last few years. The textile industry in my State has been particularly hard hit as thousands of workers have lost their jobs. I could cite eye-popping statistics as to the number of lost jobs but what is important to realize is that each one of these lost jobs represents an individual man or woman, often the lone breadwinner in a family.

Many workers are understandably concerned about job security. They worry about the possibility of losing their job and wonder how they would provide for their loved ones if they did suddenly become unemployed. If this education provision is not reauthorized then many more workers and their families, across the country, will suffer needless anxiety and uncertainty.

Mr. President, while the Federal Government cannot set up programs to guarantee that every American has a job, we can act to ensure our Tax Code encourages workers and companies to act in their own interest by promoting education and training.

Without this exclusion, many employers may choose to end these benefits for their employees. Those employers who do offer these benefits will subject their employees to additional Federal and State taxes. A fortunate few may be able to meet a complex IRS test to demonstrate that the benefits are sufficiently job-related so as to be deductible. These additional taxes can easily exceed 40 percent of the amount paid by the employer. This enormous tax burden can be decisive in preventing an employee from pursuing an education to improve his or her career prospects and earning ability.

I support reauthorization of this provision because it empowers individual employees and businesses by encouraging and promoting education not through a monolithic Government bureaucracy but through the removal of a harmful and destructive hurdle to the pursuit of an education.

Over the years, this provision has helped more than 7 million working Americans to further their education and to acquire additional skills. While the importance of this achievement to those individuals, their families and their companies cannot be overstated, it is also true that this accomplishment has served our Nation well.

Last week, the House Ways and Means Committee included an extension of the tax credit for employer provided education assistance in its markup of the Small Business Job Protection Act.

Mr. President, I do hope Senators will demonstrate their support for the

continuation of this important provision and vote for this sense-of-the-Senate resolution to reaffirm the Congress' commitment to improving the education of American workers.

Mr. DOMENICI. Mr. President, I understand this amendment is acceptable to Senator EXON, as the Levin amendment was to us; is that correct?

Mr. EXON. It is, and I yield back any time in opposition that we may have on this side.

Mr. DOMENICI. And I yield back time Senator HELMS has on the amendment and ask for its adoption.

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

The amendment (No. 4021) was agreed to.

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

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I ask for a vote on the Levin amendment that is now the pending amendment.

Mr. DOMENICI. We have adopted it.

Mr. EXON. Did we adopt that?

The PRESIDING OFFICER. The Levin amendment was adopted.

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

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, how much time do we have on the Chafee-Breaux amendment?

The PRESIDING OFFICER. There is 1 hour of debate equally divided.

Mr. DOMENICI. I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island, [Mr. CHAFEE], is recognized.

Mr. CHAFEE. Mr. President, I ask that the half-hour this side has be divided in half, with half to me and the other half to the Senator from Louisiana.

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

AMENDMENT NO. 4018

Mr. CHAFEE. I will take such time as I need.

Mr. President, in the years 1931 to 1938, the people of England failed to heed the warnings that their nation and, indeed, their lives were in peril. They dismissed voices, such as that of Winston Churchill, crying the alarm. They dismissed him as a warmonger and a scaremonger. Despite clear proof that Hitler was building a fierce war machine, the people of Great Britain preferred to ignore such evidence. John F. Kennedy described that in his book, ''Why England Slept.'' And in his history of World War II entitled ''The Gathering Storm''—that was the first volume—Churchill gave the theme of that volume as follows:

How the English-speaking people through their unwisdom, carelessness and good nature allowed the wicked to rearm.

Mr. President, a clear analogy can be drawn between the financial peril of the United States in the immediate years ahead and the military peril of Great Britain in the years referred to, with one major difference.

No one disputes—no one disputes—the fiscal danger our Nation faces if we do not control these entitlements.

We hear a whole series of siren-like voices, gentle voices saying, ''Don't do anything now. Let's have more study. Isn't there an easier way of correcting the situation? It's an election year, let's wait. We can't do anything because we don't have the President's support.''

Mr. President, we can follow all that kind of advice, but it will not cure the situation one iota, and the only way to solve the financial problem that this Nation faces is to do something about it now. Oh, sure, we can postpone it. Every year we postpone makes the solution that much more difficult.

The solution of the centrist group has been, first, a realistic budget that we do not have any savings that really cannot be achieved. We do not say we are going to make these $300 billion savings out of discretionary accounts. We know that will not occur. Every Senator knows that will not happen.

So what we have done is said the solution to this is to state the CPI, the Consumer Price Index, in a realistic fashion, and we have not taken the high side of the recommendations. Many of the witnesses that came before the Finance Committee said the CPI is overstated by 1 percent at least and as high as 2 percent. But, no, we have gone to one-half of 1 percent because that can be thoroughly justified.

Has there been criticism of that? Oh, yes, there has been criticism: ''Savings from the CPI adjustment should not be used except to shore up the Social Security fund.'' That is what we do, Mr. President. We have a statement from the Social Security's chief actuary that the solvency of the Social Security trust fund, as a result of the CPI changes recommended by the centrist group, will extend the solvency of the Social Security fund.

Some say that if you change the CPI or go to a realistic correct tabulation of the CPI that you are going back on promises made to Social Security recipients. That is absolutely inaccurate. Nothing in the centrist plan affects commitments we have made to Social Security recipients. Congress promised to provide cost-of-living adjustments to beneficiaries, and we continue to do that under our plan. All our plan does is make the CPI correct.

Mr. President, I notice there are others waiting to speak, so I will reserve the remainder of my time.

Mr. BREAUX addressed the chair.

The PRESIDING OFFICER. The Senator from Louisiana, [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, it is my understanding we have 30 minutes for the proponents and 30 minutes for the opponents.

The PRESIDING OFFICER. That is correct.

Mr. BREAUX. And we have agreed to divide 15 and 15 to each side?

The PRESIDING OFFICER. That is correct.

Mr. BREAUX. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida, [Mr. GRAHAM] is recognized for 5 minutes.

Mr. GRAHAM. Mr. President, I thank my friend from Louisiana. It is a pleasure to have worked with the centrist coalition in the last several months in an attempt to develop a balanced budget based on a realistic set of principles.

In my limited time, I would like to make two points. First, if this Congress is serious about achieving what is stated to be its No. 1 priority, which is to develop a multiyear balanced budget plan that would reduce the Federal deficit to zero at the earliest practical date and then to keep that deficit at zero for the foreseeable future, I suggest that the vote that we are about to take on this centrist coalition will be the ultimate test of our fidelity to that principle.

There is no other opportunity to pass a balanced budget in 1996 other than that which is presently before the Senate. The reality is a balanced budget will not be passed which is totally written by Democrats. We established that fact in the early 1990's. A balanced budget proposition will not be passed which is written and supported totally by Republicans. We validated that truth in 1995.

We now have an opportunity to vote on a plan which represents a moderate centrist perspective with support from significant numbers of Senators from a variety of philosophical and regional and economic backgrounds which does have a meaningful chance to be adopted. That is the fundamental question: Are we going to reject the good because it falls somewhat short of our own personal view of the perfect, or are we to say that this good is so much better than the alternative, which is to continue to have these enormous Federal deficits and all of the damage that they do to our Nation and to our individual lives? Are we going to miss the opportunity to get the benefits of a balanced budget, including the very substantial benefits of a lower interest rate over the next decade than that which we will have if we do not exercise this act of discipline?

I believe, Mr. President, that the course of action which commends itself to this Senate is to adopt the centrist budget.

I would like to speak to one element of the budget which has received some comment which I think is illustrative of the principles that underlie the centrist approach. And that is that it is pragmatic, it is compassionate and it

builds in structural changes that will help keep a budget once brought to balance in balance for the foreseeable future.

Our Medicare Program is in two parts. One part relates to hospitals and is financed through a trust fund supported by payroll taxes. The other part relates to physician's payments, and it is supported by a premium paid by the beneficiaries voluntarily.

If they do not wish to receive those physicians' services, they can elect not to do so and not to pay the premium. The balance is paid by the general tax revenue of the Federal Government.

That premium has been set for most of the 1990's to be 31.5 percent of the cost of providing the physicians' services. Today it has dropped back to its pre-1990's level of 25 percent of the cost. That 31 percent, or today's 25 percent, is applied to all of the some 35 million-plus Medicare beneficiaries, the most affluent to the most indigent.

Our plan is based on, first, that we should raise from the part B premium, the premium for physicians' payments, the equivalent of 31.5 percent if that amount were applied to all of the 35 million beneficiaries. But we should not distribute the premium across all beneficiaries equally. Rather, it should be affluence tested.

We propose to have those Social Security beneficiaries who are under 200 percent of poverty, which represents approximately 70 percent of the beneficiaries, pay the current——

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. BREAUX. I give 1 additional minute.

The PRESIDING OFFICER. The Senator has 1 additional minute.

Mr. GRAHAM. Pay the current 25 percent. Those who are between 200 percent of poverty and $50,000 for an individual or $75,000 for a couple will pay the 31.5 percent, which had been the premium level for the first half of this decade. Those above the $50,000 or $75,000 per couple, will pay a higher premium based on their income.

Mr. President, I believe that is fair, equitable, and compassionate and makes an important structural change in the Medicare system which will help to preserve the long-term solvency of our Medicare system.

I cite this one example as illustrative of the approach that has been taken throughout the centrist coalition budget. But the fundamental thing that recommends it is its bipartisan nature, the fact that it is reality, both economically and politically. This has a chance to actually pass, become law and make a difference in the lives of Americans. I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, I yield 4 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin has 4 minutes.

Mr. KOHL. Mr. President, with this week's debate on the budget resolution, I believe the Senate has moved a giant step closer to implementing a balanced budget. We are no longer debating whether we should balance the budget. We are actually choosing between three separate, complete balanced budget proposals: the Republicans' budget resolution, the President's balanced budget submission, and the centrist coalition's bipartisan budget plan now pending as an amendment.

The President's plan has already been defeated in a party line vote—not a surprising result in an election year. We now have to decide whether to adopt the Republicans' budget or the only bipartisan balanced budget plan presented in the Senate.

If we are serious about setting the course for a balanced budget this year, I think we must choose the centrist plan. The Republicans' budget, as Yogi Berra said, is ''deja vu all over again.'' It is virtually identical to last year's vetoed budget bill.

The Republican budget puts forth the same plan that was rejected last year by the public and the President. This is the plan that guided us through a year of vetoes, gridlock, Government shutdowns, and stopgap spending measures.

Mr. President, we have a chance to redeem ourselves in the eyes of the American public. They have seen 2 years of partisanship, bickering, and gridlock. In one vote we can send a message that we can work together in the spirit of bipartisanship, that we can bridge our differences and pass a budget that is honest, balanced, and fair.

That plan is the centrist budget now before us as an amendment. First, and most important, this is the only plan on the table that is bipartisan. It has been developed over the last half year by 11 Democratic Senators and 11 Republican Senators. We have worked in a way that I believe the American people want us to work. We have put aside our own political needs and party positions. We have compromised. Our primary goal was a balanced budget—not a partisan victory. And the result is an equitable budget plan that can win the support of a majority of the American people.

The budget the centrists present today contains $679 billion in proposed savings over 7 years. Those savings are spread across almost every group in society and almost every Government program. Our plan has lower Medicare cuts than either the Republican or Democratic plans but enough cuts to guarantee the longrun solvency of the program. Our plan contains a modest tax cut—$130 billion—that will allow us to do some targeted tax credits for children and give businesses some capital gains relief. Our plan caps the out-of-control growth of entitlements through an adjustment in the CPI. And, most importantly, our plan achieves real and sustainable deficit elimination.

Mr. President, the centrists have put together a solid, bipartisan balanced budget plan. I believe it is the best—and perhaps the only—choice for those Members who want to see a balanced budget enacted this year.

Mr. President, we know partisanship does not work. If we go down that road again with a budget that only gets Republican votes, then we may see some interesting campaign ads, but we will not see a balanced budget.

We have a clear choice before us today. Vote for the centrist amendment, and vote for bipartisanship, honest budgeting, shared and fair sacrifice, and the last, best hope for a balanced budget in this Congress. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I yield 3 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON], is recognized for 3 minutes.

Mr. GORTON. Mr. President, the remarks beginning the debate this morning on the part of the Senator from Rhode Island were directly on point. Now is the time and this is the place for the oratory to end and the true work in balancing our budget and building a brighter future for our own generation, for our children and our grandchildren, is to begin. There are no longer any real excuses.

A year ago, for the very first time for 20 or 30 years, this Congress actually passed a balanced budget that was then vetoed by the President. But that balanced budget changed the entire nature of the debate. The President himself proposed a budget that was balanced, as inadequate as it was unfair, but nonetheless lip service to this proposition.

Again, this year we have before us from the Budget Committee, with my support, a budget that is truly balanced, but the execution of which will almost certainly receive another veto from a President in an election year.

This group, for the first time in a decade, two decades, three decades, has gotten together, on a bipartisan basis, to solve the greatest problem facing the United States of America, Democrats and Republicans working together. It has a proposal that in the long run creates a greater degree of financial stability and security for the people of the United States than do any of the other proposals. Most Members in this body would like to vote for it if they only believed that it would become law.

But, Mr. President, we cannot tell whether or not it will pass the House of Representatives unless we pass it here in the Senate. We do not know whether a President would respond to the dynamic of it passing both Houses until it has passed both Houses. So the ball is in our court. If this is simply a good try that fails, we will be debating the same issues over and over and over again, but we will not have done what we were supposed to do for the people of our country.

If we pass it, maybe it will be defeated in some future place in this political debate in this election year. But maybe it will not. Perhaps it will build its own dynamic. Let us give it that opportunity, Mr. President. That is what we were elected to do.

The PRESIDING OFFICER. The time has expired.

Mr. BREAUX. Mr. President, I inquire of the Chair how much time our side has.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes left.

Mr. BREAUX. I yield myself 2 minutes.

Mr. President, yesterday a great deal of discussion was held about the CPI adjustment. I just want to make a couple comments because many Members said, ''We like your budget, but the CPI is something that we can't handle. We don't think it's the right thing to do.''

We have had three hearings in the Senate Finance Committee—March 13 of last year, April 6 of last year, and June 5 of last year—we had a parade of economists before the Finance Committee. Every one of them to a person said that we are making a mistake as a country. The distinguished Senator from North Dakota said that yesterday.

Every year we make a mistake. Every year we give every person who is on an entitlement program more than they should get, by every economists' professional judgment. They say we overestimate what their increase should be from anywhere between 0.7 and 2 percent.

So we have had the courage to make a decision that we will fix the problem. We will correct the mistake. We will say that every person in America who is entitled to an entitlement increase—Social Security, railroad retirees, Federal retirees—we will give you a more accurate increase in your benefits. For instance, in Social Security it says instead of getting a $20-a-month increase, you will get a $16-a-month increase. They still get an increase, a substantial increase. It is $4 less than they would have gotten under the incorrect formula, but everybody knows the formula is wrong. The formula has made a mistake.

Are there not enough people in this Congress to say that when we make a mistake, we should correct it and recognize it? That is what we do in CPI.

I think everybody should enthusiastically stand up and say we want to guarantee everybody in this country gets an accurate increase based on inflation. When the formula is wrong, Congress should have the courage to at least correct the mistake. That is the only thing we do. It is supported by a Republican economist, by a Democratic economist, and by everybody who has testified before the Senate Finance Committee. I think it should be adopted.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time to the Senator from North Dakota?

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

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. BREAUX. Senator LIEBERMAN requested some time.

Mr. CHAFEE. Mr. President, I am happy to give the Senator some of my time.

Mr. BREAUX. We will give 3 minutes to Senator CONRAD.

Mr. CONRAD. I thank Senator CHAFEE and Senator BREAUX for this time.

Mr. President, what can be more clear? We are headed for a cliff. Everyone who has examined this question tells us we are headed for a circumstance in which if we do not change course, we will either face an 82-percent tax rate in this country or a one-third cut in all benefits. That is where we are headed. Make no mistake.

There are many things that must be done in order to prevent that calamity from occurring. We must generate savings out of the various entitlement programs. We must cut other spending. All of those things must be done.

Mr. President, with respect to the CPI that was criticized on the floor last night, the technical correction in the Consumer Price Index that our group has advocated on a bipartisan basis, this is a question of a mistake—a mistake. The Consumer Price Index is being used to adjust for cost-of-living increases, not just with respect to entitlement programs but also with respect to the revenue base of this country.

The economists have come to us and said, overwhelmingly, ''You are overcorrecting by using the Consumer Price Index. It is not a cost-of-living index.'' Even the people who draw it up at the Bureau of Labor Statistics will tell you it is not a cost-of-living index. Yet, that is what we are using it for. The economists tell us, because we are doing that, we are making a mistake. They say the mistake is between 0.7 and 2 percent a year, with the most likely overstatement being 1 percent.

What does that mean? Over 10 years, that means we are spending $600 billion by mistake—by mistake. If we cannot correct a mistake around here to address preventing the calamity that is going to occur, what can we do? If this body and the other body and the President of the United States cannot correct mistakes to prevent a fiscal calamity, what can we do?

Mr. President, I think the question has to be, if not now, when? If not us, who? If we cannot correct a mistake to prevent a financial calamity, then we fail in our responsibility.

Mr. BREAUX. Mr. President, I yield the remaining time we have, 4 minutes, to the Senator from Connecticut, Senator LIEBERMAN.

Mr. LIEBERMAN. I thank my friend and colleague from Louisiana. I thank my friend from North Dakota, who I am pleased to see this morning paraphrasing the words of the Talmud, which come strongly from his lips. I appreciate that sentiment.

Mr. President, I want to thank Senators CHAFEE and Senator BREAUX for convening this so-called centrist coalition. Frankly, it has been one of the most satisfying experiences I have had in the 8 years I have been in the Senate, because we did what I thought we came here to do, which was to forget that we are Democrats or Republicans, focus on the responsibility that we have as Americans, elected by people from all parties in our State, and deal with central and obvious problems—and, in this case, most especially, the imbalance in our budget.

Sometimes when I look at the course that both parties are taking here, frankly, on matters such as the budget, it seems to me it has become so highly politicized that we might as well have our press secretaries staffing us on budget questions.

This centrist coalition attempted to find a third way. The group was driven by the knowledge that if we truly want to balance the budget, it is going to take Members of both parties, working cooperatively, to do so.

Our group understands, I think, the first rule of compromise. It means you cannot always have your way, or, put more eloquently, as the junior Senator from Utah, Senator BENNETT, did in quoting his father, ''It means that you attempt''—and I love this expression—''to legislate at the highest level at which you can obtain a majority.'' That is perfect. That is just what we attempted to do in this group.

What does this proposal have? It faces the big problem in the budget which is that the so-called entitlements are skyrocketing. If we let them go, they will eat up our Government and make it impossible for us to continue to do what people want us to do without grossly overtaxing them. It approaches entitlement reform not in a weak and defensive way, but by understanding that there is another side to this question.

Yes, as Medicaid and Medicare go up, people are benefiting, but people are paying for them. Just to state it briefly in the time I have, how can we explain to a worker, how can I explain to a factory worker in Connecticut making $30,000 a year that through his paycheck he is paying for part A and through his tax bills, 75 percent of part B Medicare for a senior citizen retired, making $30,000 a year, with no kids to send through college or feed and clothe; or forget the $30,000—a senior citizen making $50,000 or $100,000 or $1 million. It is unfair to the people.

We have a reasonable number on discretionary spending, the most reasonable of any of the budget packages. Mr. President, we have a sensible tax cut program that will create growth, that stimulates savings and investment through capital gains cuts and through some very creative programs to encourage people to save more. Also, to

help the middle class in targeted areas, such as offering a deduction and help in sending their kids to college, which, at least in Connecticut, is the greatest burden I find the middle class is shouldering as I talk to them when I go around the State.

This is a solid, balanced, thoughtful program. Mr. President, 22 of us—11 Democrats, 11 Republicans—have put it together. I hope a lot of our colleagues surprise us and join us in getting this moving in the right direction toward balanced growth for our country.

I yield the floor.

Mr. CHAFEE. Mr. President, I yield myself 2 minutes.

I have listened to the presentation of our amendment, and I must say I want to congratulate every Senator who has spoken on behalf of this amendment. I think the arguments, really, are overpowering.

Here is the problem: If we continue on the path we are on now in this country, every one of the entitlement programs is going to be in a very, very severe situation.

What did the entitlement commission say when they reported 2 years ago? This is what they found: By the year 2010—how far away is that? Mr. President, 2010 is 14 years away. Spending on entitlement programs—Social Security, Medicare, Medicaid, welfare, all of the entitlement programs—where they are locked in, unless we do something, the payments on those programs, plus the interest on the national debt, will exceed all the Federal tax revenues. All the money that comes into the Federal Government will be inadequate to cover those entitlement programs; not a nickel left for the Park System or for maintaining our highways or for building them or the FBI, the State Department, the Justice Department, whatever it is.

Mr. President, obviously, something has to be done. I find the arguments of the opponents difficult to understand. One of the arguments is, ''Well, the President has not said he is for this thing, so we should not vote for it.'' What are we hired for? We are hired, it seems to me, to do what is best for the country, and whether the President is for it or is against it does not make any difference. He cannot vote here on the floor of the Senate. We can. It seems to me to make our vote depending on whether this is going to pass or not and whether the President is for it or not is hardly the route to go.

So I plead with my colleagues to come forward and support this amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, I will take 1 more minute.

The PRESIDING OFFICER. The Senator has 1 more minute.

Mr. CHAFEE. Mr. President, here we have a chance to do something. In my opening remarks, I mentioned the situation in England in the 1930's which John F. Kennedy described in his book ''Why England Slept.'' As Winston Churchill said in his four-volume history of the war, ''The Gathering Storm,'' he said the English people through their nonwisdom and carelessness allowed the wicked to rearm.

We have a similar situation, not a peril from abroad militarily but a peril from within financially. The good news is we can do something about it. What we can do now is the smartest; but, if we wait, it becomes that much more difficult.

All we are saying is one-half of 1 percent correction, as it should be and as every economist that has come before the Finance Committee has told us the correction should be made. Let us seize the opportunity, Mr. President.

Mr. SIMPSON. Mr. President, I am so very proud to join my colleagues in the centrist coalition in declaring my support for this bipartisan budget resolution. Everyone in this Chamber should take a close look at our amendment. Reading this plan will be a frustrating and vexing experience for the critics who are always anxious to label legislation as ''extreme'' or ''timid'' or ''too conservative'' or ''too liberal.'' None of those tired old labels apply to this budget resolution.

This is truly a blueprint for a mainstream budget. It is the product of many weeks and months of compromise and negotiation and good old-fashioned ''give and take.'' On issue after issue, Republicans and Democrats in the centrist coalition have resolved areas of disagreement by ''splitting the difference'' or ''meeting each other halfway.'' That is what legislating is all about.

For every element of this plan that Republicans don't like, there is another provision that is equally troubling to Democrats. Under this budget resolution, neither party would score a clear ''political win''—but the Congress as a whole and, more importantly, the American people would benefit tremendously if we adopt this mainstream approach to balancing the budget.

The most striking feature of our plan is that we do not shy away from correcting the inaccuracies in the Consumer Price Index [CPI]. We now have almost universal agreement that the procedures currently used for calculating the CPI are flawed, thereby resulting in a CPI that overstates inflation, according to the ''experts,'' by at least seven-tenths of a percentage point and perhaps as much as 2 percentage points. Yet neither Republicans nor Democrats want to be the first to include a CPI correction in its budget.

By advancing such a correction in a bipartisan budget, neither party will receive the full blame or the full credit, depending on how the public responds, for addressing this issue. It is no secret that the American Association of Retired Persons [AARP] and other seniors groups are almost violently opposed to a correction of the CPI. But we haven't heard yet from the masses of working people who will continue to ''pick up the tab'' for as long as we continue to use an overstated CPI.

We may well be pleasantly surprised by the public's reaction when they find out that we can save $126 billion—as this centrist coalition plan proposes—by adopting a modest five-tenths of a percent reduction in the CPI over the next 7 years. This reduction is well below the official range, which extends from 0.7 to 2.0, by which the experts tell us the CPI is overstated. We adopt this modest figure precisely because we want to make clear that our motivation is to have an accurate CPI—and that our actions are not driven solely by budgetary pressures.

Nonetheless, it is impossible to ignore the fact that this step would save $126 billion over 7 years and, furthermore, that this represents $126 billion we would not have to cut from education, child care, health care, transportation, infrastructure, and other important priorities as we work to balance the budget.

It seems to me that all 100 Members of the Senate would leap in unison at the chance to embrace this provision, as well as the broader package we are proposing. Being a realistic creature, however, I would be satisfied if only 51 of us do so on this particular vote. I urge my colleagues to join us in this bipartisan effort.

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

Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Senator DOMENICI is recognized.

Mr. DOMENICI. I yield myself 5 minutes off the resolution.

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

Mr. DOMENICI. I want to give a report to the Senate about where we are and what things look like.

When we started this morning, we had 8½ hours on the resolution.

How much of that have we used this morning?

The PRESIDING OFFICER. Fifty-seven minutes.

Mr. DOMENICI. So essentially we are now down to about 7½ hours. Assuming that time runs uninterrupted throughout the day, all time will have expired pursuant to the unanimous consent request at 5:30 p.m. today. Pending at the start of today were 33 amendments that have been laid aside. We have disposed of 15 amendments either by rollcall vote or voice. Therefore, as of this morning, we have considered 48 amendments.

The consent agreement for first-degree amendments of last Thursday night listed about 75 amendments. Therefore, there could be as many as 27 first-degree amendments still to be considered. I am not at all sure, nor do

I in any way hold Senators to the amendments that they listed, but I think we still have to find out a little more about them.

So I encourage Senators who have first-degree amendments left on this list as of last Thursday night which we have not acted on yet to let the managers know this morning if you still intend to offer the amendments. I assume Senator EXON would join me in urging that they try to let us know this morning if they are going to call up amendments.

Mr. EXON. If we are going to have any order at all, we will have to have that.

Mr. DOMENICI. So as I look down this list of amendments that have not yet been brought up, I conclude that after removing the duplicative amendment—this is my own assessment—there are only 10 or 12 first-degree amendments left. But I cannot reach that conclusion without the help of some Senators who are on that list.

Not counting any second degrees that may be considered, this should give us hope that we can finish discussing all the amendments in the 50-hour time period and maybe even start voting late this afternoon. That depends upon whether it will be more accommodating to the Senate to vote all day tomorrow rather than to start tonight.

We need some guidance from Senators whose names and amendments are still on this list. I think I can say as of now that there are very few Republican amendments that are going to be called up off the list.

So I urge that the Democrat Senators that have amendments listed to let us know. We are going to stay here during the funeral of Admiral Boorda right up until 12 o'clock when we recess for the policy, and we will be in recess until 2:15. During that time, we will obviously do nothing here on the Senate floor. We are back in at 2:15.

If I have not used my 5 minutes off the resolution, I yield back whatever time remains and yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield time on the pending amendment?

Mr. EXON. The Senator from Nebraska seeks time off the amendment.

Mr. DOMENICI. I yield the Senator as much time off that as he needs. I am in charge of the opposition time. I will give him as much time as he wants.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I am about ready to yield 15 minutes to the Senator from Massachusetts, half of the time.

I will be allotted the half hour remaining on the pending matter. Is that correct?

Mr. DOMENICI. If you want Senator KENNEDY to have 15 minutes in opposition, I yield him 15 minutes.

Mr. EXON. Maybe we could settle something right now. I am not sure that we should be in session during the important matter that is going to be taking place at the Washington Cathedral. I was just wondering if I might have the attention of my colleague. I am wondering if it might be better for us to recess during the time of the memorial service with the time being charged along the lines just outlined by the chairman of the committee. I just say let us take that under advisement for now.

With that, if the Senator from Massachusetts could be recognized at this time as previously arranged.

Mr. DOMENICI. Let me take a minute off the resolution to respond.

I will be glad, in the next 10 minutes or so, to discuss this issue with you. I think it is probably more important to your side than ours because we do not have very many amendments left. But if you want to use time while the Boorda funeral is going on and charge it equally rather than a few of us remaining in the Senate, if you think that through and want to offer it to us, I am thinking I will probably agree to that.

Mr. EXON. We will visit about it. I hope the Senator from Massachusetts could be recognized at this time for 15 minutes.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank my friend, Senator EXON, for yielding 15 minutes. I yield myself 12 minutes.

Mr. President, during the course of this budget debate, there have been several proposed amendments expressing a fundamentally bad idea, and that is legislating a change in the Consumer Price Index. These amendments have been offered as stand-alone, sense-of-the-Senate amendments and as part of the centrist coalition budget. In fact, 20 percent of the total cuts in this budget come from a legislative reduction in the CPI.

That kind of arbitrary action by Congress would break faith with the elderly and make a mockery of the commitment of both parties not to cut Social Security. It would raise taxes on low-income, working families qualifying for the earned-income tax credit and other working families as well. It would lead to lower wage increases for millions of workers throughout the country at a time when one of the most serious challenges our society faces is the decline in the living standards for all but the wealthiest families. Such a change would be harshly regressive in its impact. It would be unprecedented political meddling of what has been an impartial factual determination of the CPI.

Reducing the CPI would reduce cost-of-living adjustments for millions of Americans receiving Social Security benefits, military pensions, veterans pensions and civil service retirement. It would reduce the amount of supplemental security income payments to the needy, and because of indexing of tax brackets, it would raise income taxes for most taxpayers and reduce the earned-income tax credit.

Some may see a cut in the CPI as a magic bullet to balance the budget and avoid other painful choices, but it is a bullet aimed at millions of Americans who need help the most and who do not deserve this added pain. It makes no sense to fight hard to save Medicare and then attack Social Security. Legislating an arbitrary reduction in the CPI would clearly break the compact of Social Security. That compact says work hard, play by the rules, contribute to the system, and in turn you will be guaranteed retirement security when you are old.

An essential part of that compact is a fair Social Security COLA so that senior citizens can be sure that their hard-earned Social Security benefits will not be eaten away by inflation. Overall, more than three-quarters of the lower spending under the change would come from cuts in Social Security alone. Nearly all the rest would come from other Federal retirement programs. It is the elderly who pay heavily if Congress adopts this change.

Over the next 10 years, a half-percent cut in the COLA would reduce the real value of the median income beneficiary Social Security checks by $2,650. By the 10th year, the real purchasing value of that check would be 4.5 percent lower, making it even harder than it is today for senior citizens to stretch their limited incomes to pay the bills for housing, food and medical care, and other necessities.

Under the centrist budget, the median Social Security beneficiary will see the value of the benefits they have earned cut by $1,200 over the next 7 years. Let me repeat that. Under the centrist budget, the median Social Security beneficiary will see the value of the benefits they have earned cut by $1,200 over the next 7 years.

Reducing the Social Security COLA is a direct attack on the retirement benefits that senior citizens have earned. If Congress is to respect family values, it has to value families, especially the millions of elderly families all across America.

Changing the CPI also affects the deficit by increasing taxes because income tax brackets and the earned income tax credit are indexed to inflation. If the tax brackets are not adjusted for inflation, taxes go up and the earned income tax credit goes down.

Failing to adjust the tax bracket hits middle-income families the hardest. A family earning $36,000 would face a tax increase that as a percent of income would be more than four times as large as the tax increase faced by a family earning $100,000. Hardest hit are the low-income, hard-working families; 13 percent of the total tax increase, $6 billion, would be paid by these low-income, hard-working families under the centrist budget. Has not income inequality grown enough without legislating another tax increase that disproportionately harms working families?

The impact of cutting the CPI reaches well beyond the Federal budget. It is also a direct attack on the wages of working families. Many workers have CPI adjustments in their collective bargaining contracts, but every pay increase is affected by CPI. If the CPI is reduced by Congress, wages will be lower, too, for virtually all workers across the country.

There is no greater source of dissatisfaction in American families than the continuing erosion of their living standards. Except for the wealthy, the story of the past two decades has been, work harder and earn less. Cutting the CPI will make a bad situation even worse by putting even greater downward pressure on the wages of every American.

One argument made by the proponents of this idea of lowering the CPI is that it is merely an overdue technical correction that should be supported as a matter of good government. This claim cannot pass the truth-in-advertising test. The technical argument for lowering the CPI has been made by the Boskin Commission, which was appointed by the Senate Finance Committee to examine the issue. The commission issued a report in September of 1994 which identified several biases in the calculation. The commission asserted that the CPI had overstated inflation by 1.5 percent a year. For the future, the commission predicted the CPI would be 1 percent a year too high.

The major problem with the commission's analysis is that the sources of bias it identifies are also identified by the nonpolitical, professional economists at the Bureau of Labor Statistics in the Department of Labor. They have the responsibility for setting the CPI each year. They do so fairly and impartially. They make periodic corrections to take account of any biases up or down that affect the index. The Bureau already plans to reduce the CPI by about two-tenths of 1 percent in 1997. This reduction is already assumed in the budget projections for the next 7 years.

The issue is not whether there should be changes in the CPI but who should make them and how large they should be. The Boskin Commission's work is a poor basis for changing the CPI. As the Commission itself acknowledged, it did little original research. The Commission's membership was stacked with economists who believed that the CPI was overstated. According to Dean Baker, an economist at the Economic Policy Institute, all five members had previously testified they believed the CPI was overstated. Economists who gave contrary testimony were excluded.

According to Joel Popkin, another expert on the CPI, the Commission comprised five of the six witnesses before the full Finance Committee who gave the highest estimates of bias. As Mr. Popkin also pointed out, the interim report of the commission falls far short of presenting adequate justification for its conclusions, and therefore provides no basis for Congress to change tax policies or entitlement policies such as Social Security.

In fact, for the elderly, the group most affected by any change, the most authoritative study by the Bureau of Labor Statistics suggests that the CPI may understate rather than overstate the true increase in the cost of living because of the rapid increase in the medical costs for the elderly.

To legislate an arbitrary change in the CPI would be unprecedented. In the entire history of the CPI, the Congress has never tried to impose a politically driven adjustment, and there is no excuse for imposing one now. Senior citizens and working families across the country depend on a fair CPI, and Congress should keep it that way.

Mr. President, I believe that that provision is unwise and unjustified. It provides, according to their own proposal, total cuts of $126 billion over 7 years. That will be a Social Security cut of some $47 billion. It is going to amount to $1,205 for the median Social Security recipient, and it is going to reduce the value of the earned-income tax credit by $6 billion.

Who are these people? They are men and women who are working, making $25,000 to $28,000 a year. That is where it is gradually being phased out. It is going to take $6 billion out of their resources.

The Democrats are over here talking about increasing the minimum wage. That is $3.2 billion a year. They are talking about taking $6 billion out of families with children that are on the lower economic ladder. To believe that these families are part of the problem in terms of what we are facing in this country, I think is unjustified and unwise.

Mr. President, I think the basic concept of legislating an adjustment in the CPI, that some are willing to accept and interject based upon the Boskin Commission, which was basically flawed, is sending a very powerful message to our seniors. The elderly in this country are going to have a very real reduction in terms of their income over a period of years.

It is sending a message to workers who are below the average median income in this country that it is OK if they are going to lose some of the protections they have now primarily focused on their children. It is going to send a general message to all workers across this country that it is OK that they will see a reduction in their wages because most of the contracts that are signed are tied to the CPI. Here we are in the Chamber of the Senate with just some votes effectively saying to workers all across this country that their incomes are going to go down.

So this is a very, very important aspect of what is allegedly the compromise proposal. It is unwise. It is unjustified. I hope for that reason as well as others that the Senate will not accept that proposal.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, we have had a wonderful presentation just completed about why this Nation does nothing about facing up to the problems that confront us. Sure it is easy to trash any proposal that comes before us. That is what we see. Not one word—not one word about what to do about the crisis our country faces in these entitlement programs in the future years. I find it terribly disappointing that the Senator from Massachusetts chose this opportunity to go out of his way to trash all the proposals that we presented but not a word about doing something about it. Right here we had presented why the Congress of the United States refuses to face up to the problems we have before us.

Mr. KENNEDY. Mr. President, may I reclaim time to be able to respond for 3 minutes? May I have 3 minutes to respond to the assault that the Senator from Rhode Island made upon me?

Mr. EXON. Reserving the right to object, we are trying to get something done here before 10:30. I thought we had an orderly process going on. But the Senator from Massachusetts, I think, is entitled to reclaim the time he yielded back, given the insertion of the remarks by the Senator from Rhode Island.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. How much time did I yield back?

The PRESIDING OFFICER. The Senator yielded back 3 minutes.

Mr. KENNEDY. Mr. President, I reclaim that time.

Mr. President, with all respect to my good friend from Rhode Island, in the various Republican proposals they had $4.4 trillion in, effectively, tax breaks for the wealthiest corporations and companies in this country. And, instead of finding that $100 billion over the period of the next 7 years from corporate welfare, from tax breaks that go to the wealthiest individuals and corporations and drive American jobs overseas, he is taking it out on the elderly and workers in this country. So I do not yield to those words of the Senator from Rhode Island. When you start to get after corporate welfare, Senator, when you start to support even what the administration talked about, $60 billion, when we start having, in your proposal, something that is reducing that corporate welfare, then you will have some credibility in speaking about that. Your proposal eliminates a minuscule $25 billion in corporate tax loopholes—$25 billion versus a tax cut of $100 billion. In total, your proposal cuts over $270 billion in spending for the elderly and the less well off through the Medicare, Medicaid, welfare, and EITC programs. I have not heard you speak about these particular issues and I reject the criticisms of the Senator from Rhode Island.

Several Senators addressed the Chair.

Mr. CHAFEE. May I have 30 seconds?

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, much has been said about CPI. I ask unanimous consent that at this point an article by Mr. Jim Klumpner on CPI bias be printed in the RECORD.

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

FACT AND FANCY: CPI BIASES AND THE FEDERAL BUDGET

(By Jim Klumpner[1])

Does the consumer price index have an upward bias? The author believes that, while substitution and formula biases exist, together they might amount to 0.3 to 0.5 percentage points. Other alleged causes of bias are not considered significant. The budget negotiators already have incorporated substitution and formula adjustments in their baseline assumptions. To go beyond this is an attempt to camouflage an increase in taxes and a cut in Social Security, which could be regressive and call for excessive sacrifice by the elderly.

On January 10, 1995, Federal Reserve Chairman Alan Greenspan suggested that adjusting the Consumer Price Index (CPI) for alleged upward biases might produce federal budget savings measures in hundreds of billions of dollars. Understandably, politicians and political commentators found this very exciting, being largely unencumbered by technical knowledge about it. Gobs of free money? Why didn't we notice this before.

Within days, Speaker of the House Newt Gingrich let loose with a typically vesuvial outburst: ''We have a handful of bureaucrats who, all professional economists agree, have an error in their calculations. But we can't tell these people to get it right? If they can't get it right in the next thirty days or so, we zero them out, we transfer the responsibility to either the Federal Reserve or the Treasury and tell them to get it right.''[2] Like his colleagues, the Speaker was untroubled by subtleties, such as the conflict of interest posed by having the nation's primary inflation fighter control the data by which its performance is judged. No matter; the quality of federal statistics had hit the bigtime.

The situation to which this has now led holds rich ironies for me. Both at the Senate Budget Committee and at the Joint Economic Committee where I served previously, I have worked with a few far-sighted Democratic members of Congress to promote the integrity of the federal statistical system. By and large, this effort consisted of defending agencies like the Bureau of Labor Statistics (BLS) from penny-wise but pound-foolish budget cuts. We were privileged to have the National Association of Business Economists as allies in this effort, even though most NABE members probably wouldn't count themselves as Democrats. Now all of a sudden, the cause of quality statistics seems to have acquired a horde of new allies, many of them Republican politicians. It reminds me of a response that Robert Redford once gave when asked what it was like to have gorgeous women flock to him: ''Where were they before I became rich and famous?''

Unfortunately, the new allies of statistical integrity are pursuing their cause with zeal and urgency typical of recent converts. Politicians and journalists have been hazarding wild, research-free guesses about the size of CPI bias and proposing nonsensical ways to apply their new enthusiasm to the budget. In this murky atmosphere, it is important that economists at least see the issues clearly. As someone who worked to address the problem of CPI bias before it became so fashionable, I offer in this paper one view of the technical issues, as well as some thoughts about how COLA adjustments might figure in a deal to balance the budget.

HOW BIG IS THE BIAS?

Various reputable analysts have made guesses about the size of possible CPI biases, and their guesses span a rather broad range. The BLS, which not only produces the CPI but also has pioneered much of the research on potential biases, tends to be at the low end of the range. They estimate very small effects for the individual components of the overall bias, which in their view totals about a half percentage point of the annual inflation rate. This is similar to the conclusions of the Congressional Budget Office (CBO), which argued for a range of 0.2 to 0.7 percentage points in early 1995. Other economists have advanced much higher estimates. Most noteworthy is the 0.7 to 2.0-percentage-point range proposed last September by a commission headed by Michael Boskin who, I hasten to note, has long been an ardent advocate for quality statistics.[3]

It should not be too surprising that respected economists cite such a large plausible range for CPI biases, going from almost nothing to 2.0 percent per year. After all, we are trying to estimate the extent of our ignorance. This is the classic boot-strap problem in philosophy. How can you measure what you don't know, when you don't know what you don't know? Of course, this uncertainty among the experts does little to temper the certitude of others.

I tend to line up with the smaller bias estimates endorsed by the BLS and CBO, and I find the very high estimates of the Boskin commission implausible. Fortunately, there is fairly wide agreement on what kinds of biases might exist. By going through these components one by one, we at least can isolate where differences in opinion lie.

SUBSTITUTION BIAS

The substitution bias is one component of this problem on which most analysts can agree. When the CPI is used as a measure of the cost of living, it fails to capture consumers' ability to change the ''market basket'' of things that they buy. If the price of entertainment rises, for example, consumers can offset the impact of this on their well-being by purchasing more of something else, like food. A price index with fixed expenditure weights like the CPI will overstate the impact of rising prices for some items because it fails to account for consumers' substitution of other items whose prices have risen slowly or fallen.

When prices change by relatively small amounts over short periods of time, substitution bias isn't much of a problem. Over long periods of time, however, prices can drift substantially up or down, leading to correspondingly large changes in consumers' purchasing patterns. Thus, the substitution bias grows over time. A widespread consensus exists that the substitution bias averages about 0.2 percentage points over the course of a decade.

BLS argues that they never intended the CPI to be a cost-of-living index and that they are well aware that a fixed-weight index suffers from substitution bias when used as a cost-of-living proxy.[4] Nonetheless, they have accommodated the problem in the only way possible, i.e., with periodic revisions of the expenditure weights to reflect more current purchasing patterns. In the past, this was part of the BLS' regular decennial rebenchmarking of the CPI.

Unfortunately, funds were not appropriated in a timely fashion for the most recent rebenchmarking. As a consequence, the new index will not be ready until 1998 rather than this year, when it normally should have been introduced. Perhaps, the newly found urgency concerning quality price statistics will lead to more frequent and more regular rebenchmarking in the future. For now, all of the participants in the budget debate are assuming that the reported CPI will rise at least 0.2 percentage point less than it otherwise would have after 1998.

FORMULA BIAS AND OUTLET BIAS

Formula bias results from the sample rotation procedures used by BLS. The Bureau updates 20 percent of its surveyed outlets each year in an effort to keep their mix of both outlets and items more current. Past BLS procedures, in combination with fixed expenditure weights, gave improper weights to items whose prices are especially volatile. For instance, if an item happened to be on sale when the update was made, its fixed expenditure share corresponded to a temporarily overstated number of units, because of its temporarily depressed price. When the item's price returned to a more ''normal'' level, the impact of that price increase was overstated because it was multiplied by an inflated number of units. Similarly, items whose prices were temporarily high were undervalued, as was the subsequent fall of that price to a ''normal'' level.

The BLS became aware of the formula bias some time ago and has been working to correct if for the past couple of years.[5] They are replacing their previous procedures with a ''seasoned'' sample, which should more accurately distinguish short-term price volatility from enduring price change. BLS expects that this work will be complete by January 1997. When the budget negotiators became aware of this, Senators Dole and Domenici and Congressmen Gingrich and Kasich officially requested that BLS predict what the future results of their current research would show. Though somewhat uncomfortable with the request, BLS responded that they guessed the formula bias was between 0.1 and 0.3 percentage points, and the budget negotiators have now built this assumption into their baselines as well.

The Boskin commission's September report also argued that there is an outlet bias, distinct from formula bias, that they believe adds another 0.2 percentage points to reported inflation. As noted above, the sample rotation procedure is intended partly to ensure that the outlets surveyed are those at which consumers actually shop. BLS is confident that there is no outlet bias independent of the formulas bias. Indeed, it seems unbelievable that the price division at BLS could remain ignorant of K-Mart, Price Club and CompUSA when these firms spend millions of advertising dollars to make certain that the rest of us are aware they exist.

The commission's incorrect ideas about outlet bias and somewhat higher estimate for formula bias probably are the inadvertent results of the haste with which the September report was put together. It is unfortunate that the commission had time for only the briefest of briefings from the BLS analysts who work full-time on the CPI. Greater familiarity with what the Bureau actually is doing might have avoided these misunderstandings, as well as some of the unrealistic notions about quality adjustment discussed below.

QUALITY CHANGE BIAS AND NEW PRODUCTS BIAS

Most of the differences between economists' estimates of CPI bias stems from different views about quality change bias and new products bias. For instance, the Boskin commission's September report claimed that

Footnotes at end of article.

these two effects probably accounted for about 0.5 percentage point of bias and might account for as much as 1.3 percentage points. I would argue that the effect of these two factors is close to zero.

The basic concept underlying these two effects is quite straightforward. Quality change bias occurs when the characteristics of an item change at the same time that its price changes. Some of the price change should be attributed to the new characteristics, but some should be interpreted as a change in the price of the old characteristics. If the new item is in some sense twice as good as the old item and its price is also twice as high, the item's quality-adjusted price should not change.

The issue of new products bias is conceptually similar because consumers face a new range of offerings in the marketplace, just as they do when product quality changes. For instance, the proper way to analyze the introduction of a new drug that replaces a surgical procedure might be to compare the characteristics of these two treatments, both of which are expected to have the same therapeutic result. With both quality adjustment and new products, we need to distinguish ''pure'' price change from the part that reflects consumers' enhanced welfare due to new market options.

One notable paper argues that the flux of new offerings available in the marketplace is itself a significant contributor to consumer welfare, even if the items are not all that new.[6] The paper arrives at this conclusion by examining the case of Apple-Cinnamon Cheerios. The conclusion seems to derive from estimating the considerable surplus generated by marching down the demand curve from its intersection with the price axis to the place where it intersects the supply curve.

What appears to drive the analysis, however, is the assumption of imperfect competition, which implies that increased purchases of Apple-Cinnamon Cheerios don't merely displace other cereal purchases and the consumer surplus associated with them. It seems unreasonable to believe that households stock an ever-increasing quantity of breakfast cereal to accommodate the dizzying variety of new offerings. Most people can only eat just so much cereal.

Discussion of quality adjustment and new products bias raises a similar metaphysical puzzle to the one mentioned earlier in this article. After all, ''quality'' is usually distinguished from ''quantity'' because it is essentially nonquantifiable. How then should we measure something that we already have defined as essentially unmeasurable? For example, one of the most striking aspects of Windows software is the fact that its prettier than DOS. There is no obvious way to attribute a specific portion of the program's price to this improvement in quality.

In addition, economists like to believe that everything can be reduced to market prices, even though this clearly is untrue for a wide range of public goods for which markets fail. For instance, the required installation of smog controls on autos raises their price. It is doubtful that individual consumers perceive this as an improvement in the quality of their cars, though all of us may benefit from the cleaner air that results. How does one put a value on the improvement in air quality when there is no private market for clean air? How should we evaluate new antitheft devices on cars that compensate for rising fear of crime?

As a practical matter, BLS already makes a serious attempt to adjust for quality changes where they believe them to be a problem.[7] If both the old and new models of some item exist in the market at the same time, the difference between the prices can be used to estimate the proper quality adjustment. For some other items, the BLS attempts to measure directly the additional cost of added attributes, as they did with smog equipment on autos. Neither of these procedures is perfect, but the imperfections necessarily result from the inherent unmeasurability of quality itself.

One procedure for handling quality adjustment that BLS sometimes employs and that appeals to most economists is called the ''hedonic'' technique. This involves regressing past prices of an item on past changes in its characteristics. The coefficients from such a regression are then used to attribute some of the item's current price change to current changes in characteristics, with the residual being ''pure'' price change. It is fairly tricky to decide on a comprehensive set of independent variables so that the results do not suffer from omitted variables bias. This is a particular danger because any important unmeasurable factors necessarily will be omitted by their very nature.

Another serious practical difficulty in making quality or new product adjustments, whether hedonic or not, is cost. Large quantities of auxiliary data must be collected for each adjusted item, and highly trained econometricians must be hired to do the analysis. Furthermore, it is hard to know where to stop, short of comprehensive quality adjustment for every item in the CPI. It is safe to say that BLS does as much quality adjustment as their appropriations allow. The political process should provide the necessary funds if there now is a burning desire for more.

ARGUING FROM ANECDOTE

Because there hasn't been a comprehensive research effort to adjust a broad range of items in the CPI or to account for newly introduced goods, arguments in these areas usually rely on anecdote. The danger in arguing from anecdote, of course, is that an anecdote may seriously misrepresent the more general case. I believe that this is the source of error in the very high estimates for quality adjustment and new product biases of the Boskin commission and others.

The commission's September report explicitly notes that most of the evidence for upward price bias due to these two factors comes from nonauto consumer durables. The report cites VCRs, televisions, microwave ovens and PCs as hallmark examples. However, Table 1 shows that nonauto consumer durables account for only 4.2 percent of the expenditure weights in the CPI. House furnishings, which can hardly be said to show rapid increases in quality, account for 3.5 percent of spending, leaving only 0.7 percent of monthly expenditures for the whiz-bang stuff. This very low weight stems not from low prices for these items but from the fact that they are infrequently purchased.

Such tiny expenditure weights for the goods with which we typically associate quality improvement must imply astronomical rates of improvement in order to justify the quality bias assumed by the Boskin commission and others. For example, if goods imparting quality bias to the CPI represent only 1 percent of the index, then their quality would have to improve at 100 percent per year in order to arrive at a 1.0-percentage-point bias. The new PC that I bought this year certainly is better than the one I bought six years ago, but it's not sixty-four times as good. Advertisers' gaseous claims notwithstanding, the new PC has not revolutionized my life nor had an important impact on my well-being.

The problem of small expenditure weights is especially important for new products bias. Newly introduced items necessarily have tiny expenditure weights because they are novelties. The Boskin commission's report complains that ''the microwave oven was introduced into the CPI in 1978 and the VCR and personal computer in 1987, years after they were first sold in the marketplace.''[8] Even now, however, these items have weights measured in hundredths of a percentage point and properly so. Many households do not even own PCs, microwaves and VCRs, let alone Salad-Shooters. Those who do own such items purchase them only infrequently. It is this that gives them a tiny weight compared to things like rent and food, which loom large in the average consumer's budget. BLS must make a judgment about when new items comprise a sufficiently large proportion of expenditures to justify inclusion in the CPI. The evidence for these high-profile examples suggests that the Bureau's judgment has been correct.

Table 1.—CPI expenditure weights, 1995

Durable Goods	10.6
New Vehicles	5.1
Used Vehicles	1.3
House Furnishing	3.5
Other Durables	0.7
Nondurable Goods	32.8
Food and Beverages	17.4
Apparel	5.1
Other nondurables	10.3
Services	56.6
Shelter	28.0
Utilities	7.0
Medical Care Services	6.0
Other Services	15.6

Source: Bureau of Labor Statistics.

I have focused my arguments about quality adjustment and new products bias on the 0.7 percent of the CPI that the proponents of large bias adjustments usually cite. Perhaps there are other components of the CPI with larger expenditure weights that have had significant quality improvements but have been ignored. Let's see.

new motor vehicles account for 5.1 percent of the CPI. The Boskin report itself notes that the case for quality adjustment bias here is murky. They cite the ambiguity of balancing the negative quality adjustment for decreasing auto size with the positive adjustment for improved fuel efficiency, itself a function of the (declining) price of gasoline. Used vehicles, which make up 1.3 percent of the index, probably did show some upward drift in quality in the past, but BLS has taken steps to account for this since 1987. As mentioned above, household furnishings (3.5 percent of expenditures) probably haven't shown appreciable quality improvements, and new furniture in particular seems to have become cheesier in my opinion.

What about nondurables? Food and beverages account for 17.4 percent of the index. Staples like meat, poultry, fish, eggs, milk, cheese, fruits, vegetables, sugar, flour, etc. may have seen some improvements in freshness and selection, although rising salmonella contamination should give pause. Prepared foods may have shown some quality improvements but not much. Other nondurables are mainly apparel (5.1 percent) and various other goods like fuels, tobacco and school supplies (10.3 percent), for which quality improvements would seem trivial.

What about services, which account for 56.6 percent of expenditures? A whopping 28.0 percent of the typical consumer's budget is taken up with shelter. Here, the Boskin report acknowledges that there was a serious downward price bias in the past that resulted from BLS' inadequate adjustment for aging and depreciation. This downward bias in the CPI's largest single item has been corrected by the Bureau. Utilities account for 7.0 percent of spending, and there certainly has been little improvement here except for phone service.

Medical care services are another 6.0 percent, and the situation here is a bit ambiguous. Services for medical crises clearly have improved, although these expenditures are infrequent by their very nature, and the out-of-pocket costs for the average consumer are rather small on a monthly basis. On the other hand, routine visits to the doctor have become pretty annoying. Certainly, if there has been progress in the quality of medical care, it has had only marginal effects on morality, morbidity and lost work time.

The anecdotal evidence for the remaining 15.6 percent of spending that goes to other services suggests deterioration as often as improvement. Declining test scores certainly aren't reassuring to consumers wondering if they're getting their money's worth for out-of-pocket education expenses. Smaller airplane seats and deteriorating public transportation also suggest declining quality. Shoe-box movie theaters with dinky screens and stale popcorn have not brightened the movie-going experience. The shopping experience itself is less pleasant, and haircuts are about the same. Of course, there are improvements in the quality of some consumer service, notably ATM banking.

The point here is not whine nostalgically that nothing is as good as it used to be. Rather, I am arguing that once we get away from a few high-profile examples related to infrequently purchased household appliances, even the direction of quality adjustment is ambiguous at best. There is no question that modern market economies produce a great deal of flux in the range of products offered, but many of the offerings are meretricious rather than meritorious. To say that all of this change represents an inexorable improvement in the average consumer's quality of life is panglossian.

Once one looks at the relative importance of different items in the CPI and the actions that BLS already has taken to address quality adjustment and new products problems, the very high estimates of these biases become unbelievable. I would argue that, if these factors do impart an upward bias, it is a couple tenths of a percentage point at most. The most important spending for the average household still has to do with basic human needs: shelter, food, clothing, transportation and basic health care. The great quality improvements in these areas were achieved long ago. Current quality advances largely are limited to items that clearly are accessories to our lives or to situations that occur only rarely.

In sum, then, I believe that the very large overall bias that some analysts allege distorts the official CPI is about one-third science and about two-thirds virtual reality. A firm consensus exists regarding the substitution and formula biases, both of which BLS already is working to eliminate. With regard to the alleged outlet bias, some analysts appear to be misinformed about what BLS actually does. And with regard to quality adjustment and new products bias, large effects appear to result from overly enthusiastic extrapolation, if not wishful thinking.

THE CPI'S EFFECT ON THE FEDERAL BUDGET

As noted at the beginning, the whole reason that these issues have come to popular attention is that small changes in the rate at which government spending programs and taxes are indexed can have huge effects on the federal deficit. The great attraction of fiddling with the CPI is that it can be used to extract money from literally millions of taxpayers and benefit recipients. Table 2 shows CBO's official estimates of the budget savings that would result from reducing CPI indexing by a full percentage point. Seven-year cumulative savings amount to $281 billion, with an impact of almost $82 billion in FY 2002. About a third of the money comes from higher income taxes, another third comes from Social Security, almost a fifth comes from reduced debt service and the rest comes from other federal retirement programs, EITC and SSI.

It is easy to see how attractive it is for budget negotiations to scale back indexing under the guise of statistical integrity. The budget negotiators already have incorporated baseline changes corresponding to a 0.4-percentage-point adjustment to account for BLS's existing efforts to eliminate substitution and formula biases. The arguments above suggest that going beyond this is scientifically questionable. However, this is exactly what is being debated as this is being written in December 1995: an additional ad hoc adjustment to account for purported (though unmeasured) quality and new product bias. This seems to be an attempt to use statistical subtleties as a figleaf for increasing income taxes and cutting retirement benefits.

TABLE 2.—REDUCTION OF DEFICIT FROM 1.0 PERCENTAGE POINT CPI ADJUSTMENT

[In billions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Revenues	1.8	5.5	9.8	13.1	17.7	23.0	27.1
Outlays	3.1	8.4	14.1	20.2	26.5	32.7	39.8
SS, RR retirement	2.6	6.2	10.1	14.1	18.4	22.8	27.4
Other retirement	0.3	1.2	2.1	3.1	3.8	4.7	5.6
SSI, EITC	0.2	1.0	1.9	3.0	4.3	5.2	6.8
Offsets	0.0	−0.1	−0.2	−0.4	−0.7	−1.0	−1.4
Debt service	0.2	0.8	2.0	4.0	6.7	10.2	14.7
Total deficit reductions	5.0	14.7	25.9	37.3	50.9	65.9	81.6

Source: Congressional Budget Office.

That's not to say that reducing indexing should be considered a totally unacceptable tool for deficit reduction. It does mean that we should be honest about what we are doing. What is being proposed this year used to be called a ''diet COLA,'' a catchy term that distinguishes nicely between ad hoc changes and those based on scientific research. Scaling back indexing is not a ''correction'' of the CPI and does not ''reduce'' the CPI. One Republican senator offered and then withdrew an amendment to this year's Budget Resolution that BLS ''shall reduce the annual percent change in the consumer price indexes by 0.7 percentage points.'' (emphasis added) No mention here about just how that might be done, but plenty of confidence that science was on his side.

THE EFFECTS OF A DIET COLA ON THE INCOME DISTRIBUTION

Whether or not a diet COLA ought to be included in a comprehensive budget deal depends upon the same criteria as any other deficit reduction tool: How is the burden of deficit reduction apportioned across society, and will there be collateral effects that are unpalatable? Thus, we don't ask that the budget be balanced by eliminating the Defense Department, because it would be unfair to ask the defense sector to bear the entire burden of deficit reduction and because it would leave the nation without defenses.

In this regard, it is important to note that the diet COLA is regressive on balance, extracting relatively large budget savings from low-income households and relatively small amounts from the well-to-do. Table 3 shows CBO's estimates of a diet COLA's impact. It is important to note that the adjusted family income concept used in the table includes the employer's share of payroll taxes for Social Security and unemployment insurance as well as CBO's attribution of the corporate income tax by income class. As a consequence, the income concept also is adjusted for family size, but that has a much smaller impact on the distributional conclusions.

TABLE 3.—DISTRIBUTIONAL EFFECTS OF REDUCED CPI INDEXING

Adjusted, pretax family income [1]	Share of revenue change (percent)	Share of spending change (percent)	Share of total change (percent)	Number of families (millions)
Less than $10,000	0.9	10.5	6.0	14.6
$10,000 to $20,000	7.7	20.1	14.2	18.5
$20,000 to $30,000	11.6	17.5	14.7	16.6
$30,000 to $40,000	9.5	14.4	12.1	13.5
$40,000 to $50,000	7.7	10.3	9.1	10.8
$50,000 to $75,000	18.3	14.3	16.2	17.7
$75,000 to $100,000	16.1	6.0	10.8	8.6

TABLE 3.—DISTRIBUTIONAL EFFECTS OF REDUCED CPI INDEXING—Continued

Adjusted, pretax family income [1]	Share of revenue change (percent)	Share of spending change (percent)	Share of total change (percent)	Number of families (millions)
$100,000 to $200,000	17.0	5.4	10.9	7.0
Over $200,000	11.3	1.2	6.0	1.0

[1] Adjusted income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, and all cash transfer payments. Income also includes the employer share of Social Security and federal unemployment insurance payroll taxes, and the corporate income tax.

Source: Congressional Budget Office.

The table shows that, even with this inflated income measure, more than a third of the diet COLA's total burden is borne by families below $30,000 per year, or about 45 percent of all families. Fully 56 percent of the burden falls on families below $50,000 per year, who constitute 57 percent of all families. The table also shows that the effect on the tax side is mildly progressive, but this is offset by both the regressivity and larger impact of the spending side.

Clearly, this creates problems for those politicians who care about the income distribution. It is one thing for the diet COLA to be included as one part of a deficit reduction plan that is progressive in its overall profile. However, it is quite another thing to

add a diet COLA to a budget plan that already is regressive in its overall effect.

As this is being written, a group of fiscally conservative Democrats, known as the Coalition or Blue Dogs, has proposed a clever device that mitigates the regressive effect of the diet COLA on the spending side. As with other diet COLAs, they suggest that the cost-of-living adjustment for various spending programs be keyed to the official CPI minus some specified factor, like 0.5 percent. However, they would also stipulate that the reduced COLA received by all individual beneficiaries of a program be equal to the dollar amount for the average beneficiary. This means that those beneficiaries who are better off would receive a diet COLA that also was a smaller percentage adjustment than otherwise. Some beneficiaries well below the average would actually come out ahead.

THE EFFECTS OF THE DIET COLA ON THE AGE DISTRIBUTION

Part of the reason that the diet COLA has such a severe effect on very low income families is that the indexed spending programs are almost entirely retirement programs and elderly households tend to have low incomes. This highlights another distributional issue for those who care about such things: the impact of the diet COLA on the age distribution. Here again, the question is not just its effect on the elderly but whether that effect compounds sacrifices called for elsewhere in the deficit reduction plan.

The proposals being offered in the budget negotiations already get the bulk of their savings from Medicare and Medicaid. All Medicare spending and about a third of Medicaid spending goes to support health care for the elderly. In fact, about half of all nursing home expenditures are paid for by Medicaid. The most severe budget plans propose sharp cuts in service at the individual level because projected program growth would be insufficient to cover increases in the medical costs and the number of beneficiaries.

Adding a diet COLA, with its heavy impact on retirement programs, to any budget plan with large Medicare and Medicaid cuts would be doubly severe for the elderly. These are citizens who have few options with regard to working longer or harder to offset the effect of cuts. They also tend to have fewer health care options, because the medical attention that they usually need is acute care and it often is too late for preventive care. Expecting the elderly to take a leading role in medical cost containment through individual choice also seems unrealistic, because they may see choice as threatening and confusing rather than liberating. Using a diet COLA to get additional budget savings on top of the sacrifices from the elderly already being contemplated strikes me as unjust.

There is another important reason to think that price indexing should not be scaled back for retirement programs. Research suggests that these programs actually have been underindexed in the past because spending patterns for the elderly differ from those of consumers in general. Two years ago, the BLS reformulated the raw data underlying the CPI to take account of the different expenditure weights in the ''market basket'' of the typical older consumer.[9] The results shown in Table 4 indicate that this reconfigured index for the elderly increased by 4.1 percentage points, or 8.2 percent, more than the official CPI between December 1982 and December 1993. This resulted from the greater weight of out-of-pocket medical expenses for the elderly and the smaller weight for transportation, apparel, and restaurant meals. Of course, out-of-pocket medical expenses for the elderly would become an even larger item in the household budgets of the elderly under most of the deficit reduction plans being discussed.

TABLE 4.—DECEMBER TO DECEMBER CHANGE IN OFFICIAL CPI AND EXPERIMENTAL PRICE INDEX FOR THE ELDERLY

	CPI–U (percent)	Experimental price index for the elderly (percent)
1983	3.8	3.7
1984	4.0	4.1
1985	3.8	4.1
1986	1.2	1.8
1987	4.4	4.5
1988	4.4	4.5
1989	4.6	5.2
1990	6.3	6.6
1991	3.0	3.4
1992	3.0	3.0
1993	2.7	3.1
1982–93	49.7	53.8

Source: Nathan Amble and Ken Steward, ''Experimental price index for elderly consumers,'' Monthly Labor Review, May 1994.

The BLS researchers stressed that one would need a much more comprehensive effort to create a reliable CPI for the elderly. In particular, one would have to discern whether they shop at the same kinds of outlets as younger consumers and whether they purchase the same kinds of items. Anecdotal evidence suggests that they don't and the divergence between the CPI and the cost of living for the elderly might be even greater if these factors were taken into account. It appears that the elderly tend to shop more at neighborhood stores rather than discount outlets and that they have limited options to save by buying in bulk.

CONCLUSION

As a longtime proponent of better statistics, the sudden awakening of interest in price measurement issues is gratifying. However, I am dismayed that this has not been accompanied by an equal commitment to fund or even to acknowledge the analytical effort needed to address these issues sensibly. The public discussion of the CPI's biases has been carried away on a tide of outrageous claims that have little scientific basis. Most disturbing is the apparent willingness to make arbitrary adjustments to one of our most important economic indicators rather than improve it with more frequent updates and careful research.

Very large estimates of CPI bias that range as high as two percentage points appear to result from ignorance about what the CPI actually contains and what the BLS actually does. Full-time professionals responsible for properly surveying the mix of outlets certainly are aware of the giant discount chains familiar to the rest of us. Claims that BLS has not addressed the most important quality adjustment issue are patently false. Speculations about huge quality bias seem to result from extrapolating the characteristics of household appliances that average consumers buy once every few years to the much larger and more prosaic spending that they do every month. Arguing that the CPI ignores the great benefits of new product introductions probably fails to note that most such ''new'' products are merely new styles.

A solid scientific consensus does exist regarding substitution bias and formula bias. Not surprisingly, BLS already is moving to correct these biases. The Bureau also attempts to correct for quality adjustment and new product biases within the constraints of their budget. Although there is no convincing evidence that quality biases are large for items that they do not adjust, BLS undoubtedly would welcome additional resources for more extensive and sophisticated research. Presumably, they also would be happy to have funds for more frequent rebench- marking and more frequent sample rotation.

The budget negotiators already have incorporated adjustments in their baseline assumptions to account for the two most firmly established components of the CPI bias; substitution and formula bias. Going beyond this is not justified by firm evidence. To do so while claiming a scientific justification amounts to an attempt to camouflage an increase in taxes and a cut in Social Security. A diet COLA should not be adopted as part of a deficit reduction plan that already is likely to be fairly regressive unless some effort is made to counter the regressive effects. In addition to remediating the income regressivity of the diet COLA, one also would need to ensure that it was not part of a deficit reduction plan that called for excessive sacrifice by the elderly, whose retirement benefits may well have been underindexed in the past.

FOOTNOTES

[1] Jim Klumpner is chief Minority Economist, U.S. Senate Budget Committee, Washington, DC. The opinions expressed in this paper are those of the author and do not necessarily represent official positions of the Democratic members of the Senate Budget Committee.

[2] Quoted in Washington Post, January 18, 1995.

[3] Michael J. Boskin, Ellen R. Dulberger, Robert J. Gordon, Zvi Grilliches, and Dale Jorgenson, ''Toward a more accurate measure of the cost of living,'' September 15, 1995, Senate Finance Committee.

[4] Bureau of Labor Statistics (BLS), ''Report from the Bureau of Labor Statistics for the House Budget Committee,'' House Budget Committee, p. 13.

[5] BLS, op, cit., p. 14.

[6] Jerry A. Hausman, ''Valuation of new goods under perfect and imperfect competition,'' NBER Working Paper No. 4970, December 1994.

[7] BLS, op, cit., pp. 21–23.

[8] Boskin et al., op. cit., p. 21.

[9] Nathan Amble and Ken Stewart, ''Experimental price index for elderly consumers,'' Monthly Labor Review, May 1994.

Mr. EXON. Mr. President, I hope we could move ahead now, if we might, with the agreement.

Mr. CHAFEE. I wonder if I might have that 30 seconds?

Mr. KENNEDY. Then I would ask for 30 seconds, too.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I ask the Senator look at our proposal. He will see there is $25 billion of corporate welfare cuts that he is discussing. Perhaps if he became more familiar with it we would all be better off.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

HONORING ADM. JEREMY M. ''MIKE'' BOORDA

Mr. LOTT. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of a Senate resolution I now send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 255) to honor Admiral Jeremy M. ''Mike'' Boorda.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, today a grateful nation pays its final tribute to a true patriot and hero, Admiral Jeremy ''Mike'' Boorda, who died on

Thursday, May 16, 1996, at the age of 56. There will be a memorial service today at the Washington Cathedral to honor Admiral Boorda. I want to take this opportunity, on behalf of many of my colleagues on both sides of the aisle, to honor this man and his truly vital contributions to our Navy. His service to our Nation was a model to which every American could aspire.

Admiral Boorda was a high school dropout who joined the Navy at the young age of 16 as a seaman recruit. After rising to become a petty officer first class in 1961, at the urging of a chief petty officer, Mike Boorda applied for admission to an enlisted commissioning program, but he had no confidence of success. He was selected on his second application and commissioned an officer in 1962.

In 1991 he received his fourth star and became the commander-in-chief of Allied forces in Southern Europe. As CINCSOUTH, he was in charge of an air strike in February 1994 against four Bosnian Serb aircraft flying in violation of the U.N. ban on fixed-wing flights. This was the first time that a NATO commander had ordered alliance forces to use deadly force on an offensive mission in the organization's 44-year history.

On April 23, 1994, Admiral Boorda became the 25th Chief of Naval Operations. He assumed command of the world's greatest Navy while it was still suffering from the aftermath of the Tailhook scandal. Despite Tailhook, a rash of cases of sexual misconduct, and several plane crashes, Mike Boorda tackled all these problems with energy that many of us could not match. Why? Because Mike Boorda loved the Navy.

He once said, ''I stayed in the Navy because I love going to sea. I hope everybody is experiencing that. If you're fortunate enough to be at that stage in your career where you still get to go to sea, relish it. Enjoy it and have fun. Realize that you are a part of a long line of people who have gone down to the sea in ships, and it's a special thing to do.''

Mike Boorda was a ''Sailor's Sailor.'' He devoted his life to making our Nation more secure and to securing a better life for those who serve our country. As the only sailor to rise from E–1 to become Chief of Naval Operations, he knew what it meant to be at the bottom and top of the chain of command. This experience instilled in him an unwavering desire to help sailors and their families serve proudly and live in a manner in which they could be proud.

He was a man of both physical and moral courage. From Southeast Asia to Bosnia, he was willing to put his life on the line to serve his Nation, but he was also willing to put his career on the line for the sailors he loved and the principles he stood for: duty, honor, and commitment.

Admiral Boorda's entire Navy career was marked by a single characteristic—compassion. He cared more for others than he ever cared for himself. He cared more for his Navy than he ever cared for his Navy career. All that he did and all that he gave will live on forever in the men and women that he loved so much.

More than anything, he loved being around sailors. When he went on board a ship or walked into a room full of sailors, you could see the twinkle in his eyes and a caring smile come across his face. He made sailors and their families feel better about themselves and better about what they did. He used to say almost everyday, ''we have the best sailors in the world, let's treat them that way.'' His love of sailors drove him to personally talk with more than 200,000 sailors, and visit more than 100 of the 360 ships in the fleet in his 2 years as CNO.

As I said earlier, he was a man of the sea, he believed that going to sea, getting underway, was about the most special thing one could do. He used to joke that he would like to change places with the younger officers so he could return to driving ships and personally leading sailors. He prided himself on his ship handling skills and talked often about how much it meant to him to be considered one of the best ship drivers in our Navy.

Like most sailors, he was a storyteller. He loved to captivate an audience with a yarn about his days at sea, or about his family, especially his grandchildren. Almost everyday at his office, he would come in with a new tale about what one of his grandchildren had done or how something reminded him of when he was a young seaman or junior officer. He had a way about him, so that when he spoke, everyone would instinctively rise and fall on his every word.

He was a man of great humor and of great humility. At serious meetings or in tense congressional hearings, he would break the tension with his dry and self-effacing sense of humor. He also never spoke of ''I''—he only spoke of ''we''—when talking about what our Navy had accomplished. He would go to great lengths to ensure that others were not embarrassed or publicly humiliated when things went wrong. He always took responsibility for the bad, and always avoided praise for the good.

Admiral Boorda was a visionary in naval strategy. When he became CNO, he recognized that the post-cold-war era required a strategy that retained the Navy's tradition of forward presence, but he also knew that it was much more likely that we were going to fight near land, in the world's littorals. He transformed the Navy's approach to meet this new strategy situation in ''Forward . . . From the Sea,'' the strategy that will carry the Navy into the 21st century.

He was a visionary in technology. He spearheaded such projects as the arsenal ship, the new attack submarine, theater ballistic missile defense, and cooperative engagement capability. These programs, and many others, put the Navy on the cutting edge of technology and did so in a way that was efficient, affordable, and flexible. He also recognized our Navy needed a strategy to accompany emerging technology, so he developed ''2020 Vision,'' a long range plan for acquiring and using future technology to achieve our strategic objectives.

Because he cared so much about his sailors, he took real steps to improve their lives: He significantly increased military housing starts. He fought for and achieved pay raises and increases in BAQ amounts and eligibility. Despite significant cuts in ships and sailors, he was able to prevent a rise in the deployment time of sailors. He revamped the officer and enlisted evaluation system so that it provided clear standards and accurately reflected performance, and he successfully integrated women into combatant ships and aircraft squadrons.

Like many of my colleagues, I have had the privilege of working closely with Adm. Mike Boorda for several years. I came to admire him immensely—his intelligence, common sense, energy, sense of humor, and most important, his commitment to our Navy, our country, and his family.

Admiral Boorda once said of Adm. Arleigh Burke, ''he defined what it means to be a naval officer: relentless in combat, resourceful in command, and revered by his crews. He was, indeed, 'a sailor's sailor'.'' I think Admiral Boorda also exemplifies these words.

Adm. Mike Boorda was a man who loved his country and served it with distinction from the age of 16 to the day he died. He was an American success story and a hero who will be missed by all of us.

Mr. President, I submit this resolution and ask for its immediate consideration.

Mr. EXON. Mr. President, I yield myself as much time as I am in need of off the resolution.

I thank Senator LOTT. I am a cosponsor of the amendment. It is very appropriate. We, on this side, join in and thank him for honoring the memory of Mike Boorda, our dear and departed colleague who we shall all miss very much. Thank you, Senator LOTT, for the excellent statement in behalf of all of us in the U.S. Senate.

Mr. LOTT. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table and any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 255) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 255

Whereas Admiral Jeremy M. ''Mike'' Boorda was the 25th Chief of Naval Operations;

Whereas as the Chief of Naval Operations, Admiral Boorda commanded the foremost Navy in the World;

Whereas Admiral Boorda's career in the Navy reflected his lifelong dedication to the United States and to the principles he held dear—duty, honor, and commitment;

Whereas Admiral Boorda is the only member of the Navy ever to rise from the lowest enlisted grade to the position of Chief of Naval Operations, and his rise gave him a full and unique perspective on the opportunities and obligations of command;

Whereas this perspective instilled in Admiral Boorda an unwavering concern for the members of the Navy and their families;

Whereas as Commander-in-Chief of NATO forces in Southern Europe, Admiral Boorda ordered the first offensive use of deadly force in the history of NATO, an air strike in February 1994 against four Bosnian Serb aircraft flying in violation of a United Nations ban on such flights;

Whereas Admiral Boorda was a visionary in naval strategy who recognized that circumstances in the post-Cold War era made necessary a strategy that retained a forward presence for the Navy even as it recognized that future Navy operations would most likely occur in the littoral zones of the world;

Whereas this strategy, which Admiral Boorda called ''Forward . . . From the Sea'', will serve as the basis for Navy strategy well into the 21st century;

Whereas Admiral Boorda was a visionary in naval technology who spearheaded programs for the development of the arsenal ship, the new attack submarine, theater ballistic missile defense, and cooperative engagement capabilities;

Whereas these programs, and many others spearheaded by Admiral Boorda, put the Navy on the cutting edge of technology and did so in an efficient, affordable, flexible manner;

Whereas Admiral Boorda recognized the need for the Navy to develop a strategy for utilizing emerging technology effectively and developed in response to that need the plan known as ''20/20 Vision'', a long-range plan for the acquisition and utilization of technology in the future in order to achieve the strategic objectives of the United States; and

Whereas it is fitting that Admiral Boorda be remembered as he described Admiral Arleigh Burke when saying that ''. . . he defined what it means to be a naval officer: relentless in combat, resourceful in command, and revered by his crews . . . He was, indeed, a sailor's sailor.'': Now, therefore, be it

Resolved, That the Senate honors Admiral Jeremy M. ''Mike'' Boorda for a career that included extraordinary contributions to the defense of the United States and a singular commitment to the members of the Navy and thereby exemplified all the best qualities in an officer in the United States Navy.

Mr. LOTT. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

UNANIMOUS-CONSENT AGREEMENT—SENATE CONCURRENT RESOLUTION 57

Mr. DOMENICI. Mr. President, I understand that in a minute or so we are going to go in recess. We will be in recess until 2:15 this afternoon. We would have been functioning on the floor here until 12:30 but for the Boorda funeral, and then been in recess from 12:30 to 2:15. So what we are going to do is go in recess now. I ask unanimous consent that when we go in recess at 10:30, that we reconvene at 2:15 p.m. this afternoon.

We had already had unanimous consent that the time we would be in recess to go to policy meetings would be charged against the resolution. I ask that 1 additional hour be added to that time, charged against the resolution. That means that half of the time we are out for the Boorda funeral will be charged to Senate business, half will be left on the resolution, and that will be equally divided.

Mr. EXON. Mr. President, we have agreed to this on this side. I have checked with our leader. I think this is the proper way to proceed.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 10:29 a.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Ms. SNOWE).

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

Madam President, suffice it to say, we are now ready for business. If there is any Senator who wishes to offer an amendment, this is an opportune time to do it.

The basic situation is this: We have approximately 4 hours left under the agreement. That is 2 hours on each side. We have a large number of amendments still outstanding and Senators have not indicated to either manager of the bill whether the amendments are actually going to be offered or not.

I suppose the question is being asked, ''Well, when are we going to start voting?'' As of now, the time will run out on the resolution sometime between 6 o'clock and 6:30. I suggest we could not start voting before that time, unless time is yielded back. But my experience has been that normally time is not yielded back. At the end, we have Senators clamoring for time and, yet, the time will have run.

So it appears now, unless time is yielded back, that we could not possibly start voting any earlier than 6, probably sometime after that. There is an event scheduled tonight that is absolutely going to prevent us from being here and holding rollcall votes, I would think, much after 6 o'clock. So I think it is safe to say we should get over here and get our work done. Maybe we can get one or two rollcall votes in before we adjourn for the day, but certainly that is not assured.

It appears to me now, that we are looking at not more than one or two rollcall votes—if that, and a whole series of individual rollcall votes, maybe 20 to 40, somewhere in that neighborhood, are a possibility for tomorrow and the days and hours that follow. When Senator DOMENICI comes to the floor—and I think he will be here shortly—he may have some additional information because he will be calling the shots.

So, once again, in the absence of anyone offering an amendment or seeking recognition at this time, I suggest the absence of a quorum, with the time to be charged equally to each side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. KYL. Thank you, Madam President.

AMENDMENT NO. 3996, AS MODIFIED

Mr. KYL. Madam President, I ask unanimous consent that my amendment No. 3996 be modified, which I send to the desk.

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

The amendment (No. 3996), as modified, is as follows:

On page 4, line 10, decrease the amount by $90,000,000.

On page 4, line 11, decrease the amount by $181,000,000.

On page 4, line 12, decrease the amount by $181,000,000.

On page 4, line 13, decrease the amount by $181,000,000.

On page 4, line 19, decrease the amount by $85,000,000.

On page 4, line 20, decrease the amount by $174,000,000.

On page 4, line 21, decrease the amount by $181,000,000.

On page 4, line 22, decrease the amount by $181,000,000.

On page 5, line 3, decrease the amount by $85,000,000.

On page 5, line 4, decrease the amount by $174,000,000.

On page 5, line 5, decrease the amount by $181,000,000.

On page 5, line 6, decrease the amount by $181,000,000.

On page 31, line 17, decrease the amount by $90,000,000.

On page 31, line 18, decrease the amount by $85,000,000.

On page 31, line 24, decrease the amount by $181,000,000.

On page 31, line 25, decrease the amount by $174,000,000.

On page 32, line 6, decrease the amount by $181,000,000.

On page 32, line 7, decrease the amount by $181,000,000.

On page 32, line 13, decrease the amount by $181,000,000.

On page 32, line 14, decrease the amount by $181,000,000.

On page 52, line 24, decrease the amount by $90,000,000.

On page 52, line 25, decrease the amount by $85,000,000.

On page 53, line 2, decrease the amount by $181,000,000.

On page 53, line 3, decrease the amount by $174,000,000.

On page 53, line 5, decrease the amount by $181,000,000.

On page 53, line 6, decrease the amount by $181,000,000.

On page 53, line 8, decrease the amount by $181,000,000.

On page 53, line 9, decrease the amount by $181,000,000.

Mr. KYL. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the quorum time be charged to each side equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. I ask unanimous consent to have 2 minutes to speak as in morning business on a bill I am introducing.

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

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Madam President, I ask unanimous consent that Marty Gensler be permitted privileges of the floor for the duration of the debate.

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

Mr. WELLSTONE. Madam President, I thank the Chair.

(The remarks of Mr. WELLSTONE, pertaining to the introduction of S. 1786, are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WELLSTONE. I yield the floor.

I suggest the absence of a quorum.

Mr. EXON. Madam President, I amend the request for the quorum call with the proviso that the time be charged equally to both sides.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. WELLSTONE. Madam President, I thought since we are in a quorum call I might just briefly summarize since time is being charged to both sides—and this will be charged to our side—several amendments that I have introduced just to focus colleagues' attention on those amendments.

The PRESIDING OFFICER. Does the Senator from Nebraska yield time?

Mr. EXON. How much time does the Senator from Minnesota need?

Mr. WELLSTONE. Five minutes.

Mr. EXON. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 3985

Mr. WELLSTONE. Madam President, I actually laid down these amendments on Friday. But I thought since we have a quorum call and time is being charged to both sides—this charged to our side—I want to focus attention on several of the amendments that I laid down Friday. One of those amendments which was a leadership amendment—and I compliment the Chair for her very, very important work dealing with higher education—was an amendment that I introduced as a sense of a Senate that any tax cuts beyond tax credits for children and families ought to go for an annual up to $10,000 deduction that families can take to help pay for the cost of higher education, and that would include tuition, and also the interest that families find themselves paying on the debt.

That interest is extremely important because now, unfortunately, as opposed to at least when I went to school, about 80 percent of the financial aid packages are now loans as opposed to grants. It used to be quite different. It has flip-flopped in the last 15 years, or so. I hope that this money will go to higher education making it more affordable for families, or it has to go to deficit reduction.

I hope that this amendment really will receive strong bipartisan support. I laid the amendment down as an education Senator. Most of my adult life has been devoted to education. I laid this amendment down as a leadership amendment for my party. But, frankly, I think this is an amendment that is important to the Democrats and Republicans alike. Since we are going to have a rapid succession of votes on lots of amendments, I just wanted one more time to focus attention on this amendment.

AMENDMENT NO. 3987

The second amendment that I might talk about very briefly was an amendment that I introduced at the beginning of 104th Congress and, frankly, I regret that it was passed finally on a voice vote. It just simply said that the Senate was taking the position that we would not pass any legislation that would create more hunger or homelessness among children. I actually lost on the vote on that amendment twice, and then it was passed by a voice vote. But given some of the budget proposals and given some of the, I think, fairly rigorous independent studies that have taken place suggesting that as a matter of fact we are in part taking some actions that will create more poverty among children, this time around I want to get a recorded vote.

AMENDMENT NO. 3986

A third amendment I introduced, which is one that the Senator from Delaware has actually taken the lead on, just simply said that we ought to make a commitment that we will provide the full funding called for in the community police program—the COPS Program.

I have to say to you, Madam President, that I have never received more positive reports with any Federal program in Minnesota than the COPS Program. A one-page form filled out by COPS going to Washington with money coming directly back to police chiefs and sheriffs used for really fine proactive preventive, important—not feel-good law enforcement—a real focus on domestic violence, a real focus on some of the neighborhoods most ravished by violence in our cities, and a real focus on youth, on some of the kids that are in the most trouble, not exclusive just to cities but in rural communities as well. So I hope that there will be very, very strong support for that.

AMENDMENT NO. 3989

And then finally one other amendment that I want to talk about very briefly—one that my colleagues are probably less familiar with but I think it is an important amendment. And again, the Chair has taken real leadership on this. This issue has become unfortunately a more important issue in this country, and this issue deals with the central importance of our taking the steps that we need to take as a nation to reduce violence in homes.

This amendment says that in the welfare reform we do we must allow States to take into account the special circumstances of a mother and her children who have been in homes where there has been violence; who have been battered. In other words, one size does not fit all. And my fear is that, if we are not careful, what we are going to do in the welfare reform area is we are going to be essentially saying to a mother that you have to work, and if you do not work that is it, without taking into account what has happened to her.

Remember. It took Monica Seles 2 years to play tennis again after what happened to her. What is going to happen is we are going to force some of the women and children back into very dangerous homes? We have to take into account these circumstances. There have been several studies. The Taylor Institute came out with a study suggesting that a shockingly high percentage of welfare mothers in welfare to workfare programs right now have had to deal with this violence. So we must take that into account in the welfare reform area.

I have used up my time. I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 3985

Mr. BIDEN. I ask unanimous consent that I be able to proceed for up to 5 minutes on an amendment No. 3985.

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

Mr. BIDEN. Thank you, Madam President.

Madam President, this is the amendment to which the Senator from Minnesota spoke relating to the tax deductibility for up to $10,000 for higher education payments. A number of us have introduced separate—and some together—bills and sense-of-the-Senate resolutions to accomplish just that.

The President I believe in his State of the Union called for such treatment. I would just like to reiterate what my friend from Minnesota said.

First of all, this is only a resolution. I wish it were an up-or-down vote on a legislative initiative to change the tax law to allow parents and/or students to deduct up to $10,000 of the costs of a college education. That is the cost which most people are focusing in on. But, it is not just 4-year colleges. It can be a 2-year college. It can be a postgraduate undertaking.

I hear my friends—and I know that the Presiding Officer is younger than I am but we are not that very far off, the four of us on the floor here—I hear people of our generation say how they worked their way through college. I worked my way through college. I was able to get some financial help and some scholarship money as well as help from my parents. But I worked my way through college. But do you know what? The minimum wage was $1.25 cents, and the total cost to attend our State university, the University of Delaware, was $325 a semester for tuition. You could work your way through college if you were willing to work.

It always fascinates me when I hear people my age—I am now 53—talk about, ''Why don't they do what we did—work our way through school?'' because now the minimum wage is under $4.50 an hour. And to go to that same great university, my alma mater, is going to cost them about $6,000 if they are an in-State student. If you are unfortunate enough to have children like many of us do here who decide—and are able—to go to an institution other than the State institution which I attended, you will find that their tuition and room and board is $25,000 a year, if they go to Georgetown University, which one of my sons attended, or to Yale where another son is. That is $25,000 a year. We do not all go there. Most of us, as in my case, could not get there.

I am very proud of my State university, and proud of having gone there. But the truth of the matter is when my dad and mom were helping me get there, and I was working my way through, the median family required only something on the order of less than 3 to 4 percent of its income to send someone to college. Now we are talking about almost 9 to 10 percent. If they are going to go to a private institution, it can be well over 50 percent.

So you cannot work your way through college any more in 4 years on a minimum-wage job. You cannot do it.

So an awful lot of students, including even many of our children—and we are in relative terms more affluent than the average American—have loans. My colleague, the former professor, knows more about this than I do. I heard him quote the statistic that we have flipped. It used to be that most of the money people got to go to college were grants, and a minority were loans. Now they are almost all loans and a minority are grants.

I realize, even if this resolution passes, it is not going to change the law. But maybe it will put us on record of doing something that is long overdue, just as we give businesses a tax break for investing in new machinery and new plant and equipment because it generates economic growth—I ask unanimous consent to proceed for 2 more minutes.

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

Mr. BIDEN. It is sound policy to say to a business that, ''If you invest in this new piece of machinery, it will increase productivity, you will end up hiring more people, and it will generate income.'' That is going to increase the economic growth of the Nation. It makes sense to do that. Well, there is nothing that increases the economic growth of this Nation more than investing in the higher education of our children.

It is getting increasingly difficult for young men and women like me who come from a middle-income household—I guess technically lower middle-income, but a middle-income household—to be able to go off to college.

It is just getting very, very, very hard. If my father were making the money he made then now, he would be making about $34,000 a year, if I am not mistaken. He had four children he sent to college. How do you send four children to the State university—the State university—on $34,000 a year? My father, it seems to me, and my mother and their counterparts today—my dad is now 80—think that college education is the single most important legacy, other than our religion, other than our Catholicism, in my case. The single most important thing my parents wanted to leave with me was to have a college education, which they did not have.

It is getting awfully hard for people to do it. I think this is a sound investment. I think it is just. I know it is almost oratory if it is only a resolution, but it increases the prospects that we will find the wherewithal to go on record and actually change the law.

So I thank my colleagues for their indulgence. I thank my friend from Minnesota for his leadership. I realize he says this is bipartisan. I heard this idea generated from my Republican colleagues as well as my Democratic colleagues. I thank the Chair. I yield the floor.

Mr. WELLSTONE. Madam President, in just 10 seconds, I want to say I was really remiss in the beginning when I laid down the amendment in not saying that it was on behalf of myself and Senator BIDEN. I am really proud to have him out here on the floor speaking about this.

I was just going to say to my colleague from Delaware that if you think about the economics of this, this becomes the sort of central middle-class issue, working-family issue, because really what happens is, those students who can get the grant assistance tend to be the lower income students, and then if you are in the very high-income end, you can pay your way. But it is those families in between that are really feeling the squeeze. He is so right on the mark.

The only other point I will make, Madam President, which is why I hope this is adopted as a statement before the Senate, I spent a great deal of time on campus. It takes a student on the average of 6 years—it is getting up near 7 years—and that is because they are working two and three minimum-wage jobs. Most students are working 30, 45 hours a week while they are going to school.

The other thing to add to the equation, which is very different than when we went to school, because we are similar in age, is that the students now are no longer 18 and 19 and living in the dorm. I think the majority of students now, if not the majority just about close to the majority of students are 30, 40, 45, 50, going back to school, many of them women, many of them with children. As a matter of fact, this is one of the ways in which many families get back on their feet. So those students who really have children feel this economic squeeze as well.

I think this is just a critical vote, and I hope we will have a strong vote for it.

I yield the floor and suggest the absence of a quorum and ask that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. EXON. Madam President, I am about to yield whatever time he may need from our side to the minority leader. But before I do that, I want to renew the clarion call once again. We have, according to our records—this list in my hand which I will not bother to count—lots of amendments that have been offered, have been debated, that we are going to start voting on some time.

But in addition to that, we have about 28 to 30 amendments that Senators have indicated to the managers are going to be offered. This would be a very good time to offer them because, if we do not see some movement on some of these things, we may run completely out of time. Then Senators are going to come here and say, ''Why

didn't you protect me in offering an amendment?''

I am protecting them now. The chairman of the committee is protecting those on his side. But we are running out of patience on protection.

So I plead once again that the Senators who have indicated to the managers of the bill that they are going to offer amendments, please come over and do so. If you are not going to offer the amendment, please call the cloakroom, the respective cloakroom, whether Democrat or Republican, and indicate that the amendment is not going to be offered. That will give us a chance to better manage and move the proposition along.

I ask unanimous consent to set the pending amendment aside.

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

Mr. EXON. With that, I yield whatever time he may need off our time to the minority leader.

The PRESIDING OFFICER (Mr. INHOFE). The distinguished minority leader.

POINT OF ORDER

Mr. DASCHLE. Mr. President, let me first associate myself with the remarks of the distinguished ranking member. We are down, now, to the final couple of hours. I really hope we will not lose the opportunity to have a good debate on whatever issues are left outstanding. I think there has been a real, good-faith effort over the last 2½ days to reach this point. We have had a good debate. I hope we can finish it off now. There are virtually no Members on the floor prepared to offer amendments. We ought to correct that. We will give people an opportunity in the next 10 minutes to come to the floor and offer additional amendments.

In the meantime, I want to call attention to a concern I have raised a number of times already relating to the circumstances in which we find ourselves on this particular resolution. I have viewed the procedures employed by the majority all through the 104th Congress with increasing concern. Our side, the Democratic caucus, has been systematically deprived of the opportunity to offer legitimate amendments. It has been an recurring practice on the Senate floor over the last several months for the majority to offer a bill, to fill the so-called parliamentary tree, preclude Democrats from offering amendments, and then file cloture so we are left with no other recourse but to vote against cloture and to continue to bottle up the legislation. It's either that or accept entire bills as forced upon us by the majority without seeking to exercise our fundamental rights as Senators to debate and amend. Given those terms, we've had no choice but to vote against cloture. We have voiced our concern over and over, and will continue to do so, about this fundamental abuse of Senate rules. Democrats never employed such extreme tactics when we were in the majority. I hope we will not get in the habit of doing so in the future. I think it is wrong. I think it undermines the good-faith effort Republicans and Democrats need to demonstrate in moving legislation through this body.

Certainly, it's legitimate to oppose legislation. We can have extended debate. But to preclude the minority from offering even a single amendment is unprecedented, and, again, simply wrong.

We are moving now from that practice to another one that, in my view, is even more threatening to the Senate as an institution. This resolution will do something that we have not done now in more than 20 years. In fact, I would say in all of the modern day period of the budget process, we have never done this. Only once, right as we were beginning to employ the reconciliation process and before that process was well understood, did we ever do what the Republicans are attempting to do in this budget resolution.

In fact, I think it's arguable that the one precedent adduced for the practice I'm about to describe is not a precedent at all—but rather a rudimentary misuse of the term ''reconciliation'' that should be dismissed as an example of anything.

This is the first budget resolution that will instruct a committee to produce a reconciliation measure that actually increases the deficit. The 1974 precedent we will hear about was based on no reconciliation instruction. And this year's unprecedented abuse therefore calls into question what reconciliation is about in the first place.

We all know what reconciliation was designed to be and what it has been. We all know that we pass budget resolutions with reconciliation instructions in order to ensure that the authorizing committees hit deficit reduction targets. Some way of enforcing deficit reduction on committees is the sole reason for being of the highly privileged vehicle we call reconciliation. We deprive Senators of their normal rights to debate and amend only because we seek to ensure that the committees follow through in the crucial business of exercising fiscal responsibility.

That is the reconciliation process. Its objective is to continue to reduce the deficit, and it does so by compelling committees to live up to the expectations of the budget resolution. But what are we doing this year? As I say, except for the rare and understandable circumstances in 1974, this body is doing something we have never done before. We will be passing a reconciliation bill in three parts, one part of which will actually increase the deficit dramatically—dramatically.

I must tell you, what goes around comes around. I cannot see any reason why Democrats—once back in the majority—cannot conveniently begin to use reconciliation packages for all kinds of legislative agendas. I do not see why we may not ultimately authorize through a budget resolution a reconciliation package for each month. Let us just put all the legislation we want to do in each reconciliation package. We will then preclude the possibility of any more extended debates, preclude the possibility of an open and free discussion, preclude the possibility of amendments in some cases. We will change the very character of this institution in a very permanent way.

I am not sure that is what the majority wants. In fact, I'm confident most on the other side of the aisle do not want that. I know if they were in the minority—they would certainly not want it. And I know that most of my friends on the other side do not expect to be in the majority forever.

I would say that all of us, regardless of whether we are in the majority or minority, want to protect the institution of the Senate and its rules. That ought to be one of our foremost goals. If we are going to bend and change the rules so dramatically to serve the political needs of the moment, we are not living up to our responsibilities to the institution of the Senate. We are not living up to what our predecessors understood to be the practice of this body. And we are not living up to the obligation we have to our constituents to preserve the legislative freedoms and protections embodied in the Senate's rules and traditions.

So, it is with great concern that I call attention to what I consider to be a very, very dangerous set of legislative circumstances mandated by this budget resolution. I think it is a fundamental abuse of the budget process. It is such an abuse that it calls into question whether the document before us actually constitutes a budget resolution.

I would argue it does not. I argue that, because it creates a budget reconciliation bill devoted solely to worsening the deficit, it should no longer deserve the limitations on debate of a budget resolution. Therefore, I raise a point of order that, for these reasons, the pending resolution is not a budget resolution.

The PRESIDING OFFICER. Does the Senator wish to be heard on the point of order before the Chair rules?

Mr. DOMENICI. Mr. President, I think in deference to the minority leader I should be heard. I obviously did not bring this resolution to the floor without consulting with the Parliamentarian. So I think I know the answer to the Senator's question. But I do not think that we should let the Chair rule and then only have time if the Senator appeals to discuss our side, although if the Senator appeals we will also take some additional time.

Mr. President, could I yield myself 15 minutes off the resolution or do I have some additional time because of the nature of the situation?

The PRESIDING OFFICER. The time is controlled by the wording of the Budget Act, and the Senator has 1 hour and 56 minutes.

Mr. DOMENICI. I yield myself up to 15 minutes. I hope I will not use that much.

Might I say to the distinguished minority leader that I do not think there are very many Senators—maybe I would yield to Senator BYRD—who have more concern about protecting and preserving this institution than the Senator from New Mexico. I truly think the Senate is a very special place, and it has a lot of attributes that make it that way. I personally will resist any efforts, now or in the future, to move this body away from its historic tradition of being very free and open on debate and having one very big characteristic, and that is that most things can be filibustered—open debate.

However, I submit that there is a Budget Act that was adopted almost unanimously by the Senate that for very special events changed both of those rules. The rule that an amendment, that a bill or measure can be freely amended was altered; for as long as we have that Budget Act in place, that will not be the rule on a reconciliation bill.

Second, the very nature of the budget resolution denies filibuster. In the very statute that creates it, that other characteristic about the Senate—open debate for as long as you want—is negated.

That is not a unilateral decision by this Senator or Senator EXON or the minority leader. That decision was made when the Budget Act was passed, for there are time restraints on every aspect of a budget including 50 on the resolution, 20 when it comes back from conference. Reconciliation bills have a time limit on them.

Additionally there is a very strict definition of germaneness with reference to offering amendments to reconciliation bills.

Now, before I explain that we are not breaking precedent and cite for the Senate a number of occasions when we have heretofore done exactly what the Senator is complaining about, before we do that I would suggest that the concern that whether we have one reconciliation bill, two or three, that we are going to be able to do all the legislation of the Senate in derogation of the quality of the Senate with reference to open debate and the freedom of amendment, standing in the way of that is the Byrd rule.

We do not change the Byrd rule in this budget resolution. There again, it establishes that if you intended to use a reconciliation instruction in that bill to just change the substantive law because you had not been able to pass it somewhere else, it will get knocked out by the Byrd rule.

So the first thing I was worried about is if we do this in this sequence—and I will explain to the Senate why we did it this way—do we in any way open in any additional way these reconciliation bills to be used by Senators to amendment processes, to amend laws that are unrelated and in no way, in no way germane to reducing the deficit. The answer I got unequivocally is that we had not changed that. So that is point No. 1.

Second, there is nothing in the Budget Act—section 310 and any other sections—that precludes us doing more than one reconciliation bill. Section 310(a) provides that a budget resolution may specify the total amount by which, among other things, revenues are to be changed. Section 310 dictates neither the magnitude nor the direction of the change. Reconciliation is a neutral budgetary tool. It is not required to produce deficit reduction.

As a matter of fact, Mr. President, on that point alone, must each part of a reconciliation bill or each of the three reduce the deficit, I would call to the Senate's attention that in 1975 a reconciliation instruction and a bill passed here under the leadership of the Senator from Louisiana, Russell Long, chairman of the Finance Committee—in 1975. It actually was used to reduce taxes, thus increasing the deficit—for that very purpose. Clearly, clearly, I find nothing in this law that says each reconciliation bill must reduce the deficit.

Now, let me tell you that the budget resolution for 1994, your budget resolution for the year 1994 had two reconciliation instructions. One was for everything that you do normally, and the other was to change the debt limit of the United States by a reconciliation bill—two different instructions, two different bills. Now, if you can do two because it fits the necessities that one side of the aisle has, this should not mean that you cannot do three if it fits the other side.

Now, in our budget resolution, we did this in three steps. This process would provide more extensive consideration on the Senate floor of our legislative proposals for balancing the budget in 2002, for if on each of the three components there are 20 hours of debate, it seems to this Senator that for those who want more time to debate, and certainly for those who would say this process we have adopted is closing debate, the exact opposite is true. There is more time for debate on each of them because rather than 20 hours for a big, giant bill, there will be three times that for each will be subject to that many hours of debate.

By separating these proposals to balance the budget into what we might consider manageable issues, we permit Senators to address their concerns contained in each of the bills. Rather than as many Senators complain about the very large bill that has taxes in it, has all kinds of entitlements from all different sides in an all-or-nothing proposition, we permit them to have part of it, not all of it, in one, part in another, and then, of course, taxes or tax reductions at the end.

The first bill reconciles savings equivalent to the assumptions contained in a resolution for welfare reform and Medicaid, and the committees must report on that.

If the first bill is enacted, then the second bill would reconcile all committees regarding direct savings. The committees would report, by July 12, two totally distinct events with total debate on each of them under the Budget Act. If both the first and the second bills are enacted—if they are—then a final bill reconciles the Finance Committee regarding revenue reductions.

I will read some history of past comments on reconciliation. Mr. President, a member of the President's own administration has in the past advocated consideration of separate packages. In 1982, during the debate on the rule to take up one of four reconciliation bills in the House of Representatives that year, then-Member of Congress Leon Panetta said, regarding the vote on the rule:

> This is, I think, one of the most important votes they will cast this session. It will set the stage for whether we can deal with reconciliation on an orderly basis, allowing packages, allowing committees to come to the floor, and allowing Members to vote up or down on those issues, or whether we are going to capitulate to some kind of chaos, the same kind of irresponsibility that we were put through last year when we had an up-or-down vote on a last-minute 800-page amendment.

All circumstances are not alike. One might argue that Leon Panetta was arguing about a completely different situation. But, Mr. President, I think what he said is right. It does not mean you have to have more than one reconciliation bill, one movement or effort, and bringing the laws together and changing them so as to achieve the goal of the budget resolution. That is what a bill is that is called reconciliation.

So, Mr. President, I am firmly convinced that we are doing the right thing. I believe when this budget resolution is passed, very shortly thereafter there will be a very healthy debate on a portion of the reconciliation package that we passed heretofore.

I call to the Senate's attention that in House Concurrent Resolution 64, fiscal year 1994, the House Agricultural Committee was reconciled for outlay increases for fiscal years 1994 through 1998. That was an increased reconciliation for food stamps.

In addition, in our budget resolution last year, House Concurrent Resolution 67, the Finance Committee was reconciled for a revenue reduction. In 1975, I repeat, during the first use of reconciliation pursuant to what was then H. Con. Res. 466, both the Ways and Means Committee and the Finance Committee were reconciled for revenue reductions.

Mr. President, it may be that we will, as the majority, be in the same position someday, in the minority, with this Budget Act still intact and the new majority may indeed want to offer one resolution with everything in it. We are not going to be able, based on today, to say they cannot do that. If they choose to go back to one huge reconciliation bill, all or nothing, they can. If they choose, Mr. President and fellow Senators, to go to two, the ruling of the Chair today will probably

say that there will be two. If they choose to do three, and the last one is a tax reduction package, then I assume we will be in a position where we can make some noise about it on the floor, but we are not going to get a parliamentary ruling that it is improper.

Mr. President, I repeat, I believe the complexity of welfare reform and Medicaid are sufficient to be in one bill. I believe the complexity and the policy changes for those two proposals are sufficient to be in one bill.

I submit that all the other entitlement programs are sufficient to be in another bill. I submit that the Republicans are committed, the President is committed, and indeed the bipartisan package is committed to some tax reductions. There is argument about which ones. But I submit that can be done under precedent as far back as 1975, to have a tax reduction reconciliation bill.

So, Mr. President, I am sorry I talked so long, but I worked on this for a long time. As a matter of fact, I take a bit of pride in it. I thought this was a far better way to handle the business of a major change in the law of our land and tax cuts than we tried last year.

I truly think it is fair to the Senate and it is fair to the public for they will better understand what we are doing. Since that is the case, I recommended it to both the House and the Senate. That is why we are here today. I yield the floor.

The PRESIDING OFFICER. A point of order is debated under the discretion of the Chair.

Would the Senator from South Dakota desire a few minutes?

Mr. DASCHLE. Mr. President, as I understand the parliamentary situation, the Chair could rule and then the debate is anticipated to be at least 1 hour on the appeal of the ruling of the Chair; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DASCHLE. I prefer to have the ruling of the Chair. I anticipate the ruling, and then I will appeal the ruling.

The PRESIDING OFFICER. All right. The Chair will rule that the resolution is appropriate and the point of order is not sustained.

Mr. DASCHLE. Mr. President, I now appeal the ruling of the Chair.

The PRESIDING OFFICER. There will be 1 hour equally divided between the Senator from New Mexico and the Senator from South Dakota.

Mr. DASCHLE. Mr. President, I have no desire to use that kind of time. I know there are a number of Senators who wish to offer amendments. But in the interest of parliamentary procedure, let me take a little bit of time, and then we will present a series of parliamentary inquiries that may help set the record in this instance.

Mr. DOMENICI. I ask the Senator, could I ask a question?

Mr. DASCHLE. I would be happy to let the Senator.

Mr. DOMENICI. Does the Senator intend to vote on this separately today or within the series of votes on the amendments?

Mr. DASCHLE. I think we can do it in the series of votes just to expedite things.

Mr. DOMENICI. I thank the Senator.

Mr. DASCHLE. Mr. President, the Senator from New Mexico, the distinguished chairman of the Budget Committee, notes that we have seen an occasion such as this arise. I alluded to that circumstance in 1974. That was 20 years ago. In the world of the Budget Act, that 20-year period is a lifetime. Congress, and in particular the Senate, have dramatically changed the budget process since then.

In the 1980's, the Senate adopted, as the Senator from New Mexico noted, the Byrd rule to restrain and limit reconciliation. Since the early 1980's, a long history of using the reconciliation process to reduce the deficit has evolved.

The chairman of the Budget Committee noted that the Byrd rule requires that there be a sufficient offset or deficit-reduction—and no worsening of the deficit in the outyears—to a reconciliation package for it to be in order. But his reconciliation instructions in this resolution trigger a tax provision that does absolutely no deficit reduction, and certainly worsens the deficit beyond the window of the resolution itself.

Mr. President, that being the case, only two outcomes are possible. First, there would be no tax reduction after the 6th year; that is, that tax reduction anticipated in this reconciliation package would no longer apply in year 7 because, if it did, there would be a deficit created, and then obviously the Byrd rule would apply. Or, second, there is some sort of offset which is not delineated here. If that is the case, I'd like to hear what that undisclosed offset is.

This difficulty is the inevitable result of using reconciliation improperly for deficit creation rather than deficit reduction. The fact that the Byrd rule creates clear problems for this approach only confirms that this resolution's reconciliation instruction is totally inappropriate.

The 1970's precedent did not involve a budget process resolution instructing the committee to produce a reconciliation bill that worsens the deficit. Senator Long, who was chairman of the Finance Committee at the time, simply came down to the floor and claimed that the tax cut bill then under consideration was a reconciliation bill. Again, there had been no instruction to the Finance Committee. There was no previous understanding that the Senate was operating under reconciliation procedures.

It is true that at that point everybody stood and saluted. But that does not change the fact that the chairman's tax cut bill should not have been considered a reconciliation bill in 1974, as the budget resolution had not directed the creation of a reconciliation bill itself.

So, in sum, the 1974 precedent was wrongly decided. I hope that we will not build upon that error now in 1996. The Byrd rule and other subsequent amendments to the Budget Act clearly imply the deficit reducing nature of the reconciliation process.

I will quote the language of 313–B, section 1, subsection (b):

> Any provision producing an increase in outlays or decrease in revenues shall be considered extraneous if the net effect of provisions reported by the committee reporting the title containing the provision is that the committee fails to achieve its reconciliation instruction.

This is a portion of the Byrd rule, and in expressly singling out increased spending and tax cuts as potentially inappropriate in a committee's work product, the language clearly implies that the true reconciliation effort should be to reduce spending or increase taxes. In other words, the proper reconciliation function is deficit reduction.

Mr. President, the bottom line here is that if a reconciliation bill produces only an increase in outlays or a decrease in revenues it is subject to the Byrd rule and therefore extraneous. Given those conditions, the third portion of this resolution's reconciliation grouping certainly violates the Byrd rule on the face of it.

Mr. President, I know the Senator from New Mexico indicated it was for managerial facilitation that he has presented this bifurcated approach to the reconciliation package. I must say, I think ''managerial'' can explain just about anything. Obviously, managers want all kinds of devices to move their agenda along.

In any case, managerial comfort is no justification for a practice that clearly violates many decades of Senate procedure. And as I've said, this practice is unprecedented. It is dangerous. It is extraordinarily harmful to the institution itself.

Mr. President, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. DASCHLE. This resolution directs the creation of three reconciliation bills, as I noted. It provides that the third reconciliation bill shall occur only if the first two have been enacted.

Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of that third reconciliation bill—the one that solely worsens the deficit—even under circumstances when the Congress had failed to enact the prior two reconciliation bills?

I would be happy to repeat the inquiry if that needs to be done.

The PRESIDING OFFICER. The Chair would respond that it appears to be a hypothetical question, and I am not sure it would help to repeat it, but you might try.

Mr. DASCHLE. Let me rephrase it, because I think it is a very important question and I do not think it is hypothetical at all. In fact, it deals directly with the circumstances at hand.

Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of only that third reconciliation bill—the one that solely worsens the deficit—even under circumstances when the Congress had failed to enact the prior two reconciliation bills?

The PRESIDING OFFICER. If the Senator's question is, can the budget resolution direct the creation of a reconciliation bill which lowers revenues, the answer is yes.

Mr. DASCHLE. A second parliamentary inquiry. Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of only that third reconciliation bill—the one that solely worsens the deficit—and did not direct the enactment of the two prior reconciliation bills?

The PRESIDING OFFICER. The answer is yes.

Mr. DASCHLE. Mr. President, third inquiry. The pending resolution instructs the Finance and Ways and Means Committees to produce a bill that cuts taxes. There are no other instructions to those committees with regard to that reconciliation bill. Is it the opinion of the Chair that it would be in order for a budget resolution to instruct the creation of a reconciliation bill that increased outlays and gave no other instructions to those committees with regard to that reconciliation bill?

The PRESIDING OFFICER. Yes.

Mr. DASCHLE. Mr. President, the Byrd rule forbids legislation that will increase the deficit in years beyond those covered in the budget resolution. If this third reconciliation bill does not find a way to end or offset its tax cuts in the years beyond 2002, would the bill violate the Byrd rule?

The PRESIDING OFFICER. Yes, it would.

Mr. DASCHLE. Is it not true, unless the budget resolution assumes that the tax cuts will sunset in 2002, or be offset by tax increases thereafter, the resolution calls for a reconciliation bill that would violate the Byrd rule?

The PRESIDING OFFICER. The resolution cannot make assumptions beyond the years which are instructed.

Mr. DASCHLE. That is not the question, Mr. President.

What I am asking is that under the Byrd rule there must be a determination that the deficit is not increased by actions taken in the reconciliation instructions in the outyears, in the years beyond the window.

The PRESIDING OFFICER. The Byrd rule does not apply to reconciliation instructions. It applies to a reconciliation bill.

Mr. DASCHLE. That is my point, Mr. President. This resolution assumes that a reconciliation bill will be triggered that will violate the Byrd rule unless it is terminated at the end of 2002 or else subsequently offset.

The assumption of the resolution is that tax cuts will sunset in the year 2002 or be offset by tax increases thereafter in order for it not to be in violation of the Byrd rule, is that not correct?

The PRESIDING OFFICER. The budget resolution makes no assumptions.

Mr. DASCHLE. Mr. President, let me ask you this: Would the reconciliation bill be in order if the budget resolution did not address the issue of deficit reduction beyond that 6-year timeframe?

The PRESIDING OFFICER. I read to you under extraneous provisions (e):

> A provision shall be considered to be extraneous if it increases or would increase net outlays or if it decreases or would decrease revenues during a fiscal year after the fiscal years covered by such a reconciliation bill or reconciliation resolution.

This only applies to reconciliation bills.

Mr. DASCHLE. Let me then phrase my question another way, because I think we can now clarify this.

The reconciliation bill triggered by this resolution would not be in order, in other words, if it failed either to offset the tax cuts or to sunset them after fiscal year 2002, is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. DASCHLE. Mr. President, let me just note parenthetically, if that is correct, that the majority party is the same party that has criticized the President's budget because the President sunsets his tax cuts. But now the majority comes before us with a reconciliation instruction that requires either that their tax cuts be abruptly sunsetted in the year 2002 or that taxes be increased dramatically after that point to pay for the continuing tax cuts.

Is it the opinion of the Chair that it is in order for a budget resolution to call for the creation of 10 different reconciliation bills in one fiscal year?

The PRESIDING OFFICER. There is no number limiting the number of reconciliation bills.

Mr. DASCHLE. Mr. President, this is, in my view, a ludicrous abuse of power. If this ruling is upheld we will be giving more and more power to the Budget Committee, power cloaked in the fast-track protection of the budget process itself. We will be granting immense power to the majority. If this precedent is pushed to its logical conclusion, I suspect there will come a day when all legislation will be done through reconciliation.

A decade ago the Senate wisely amended the reconciliation process by adding the Byrd rule to ensure that reconciliation bills would be narrowly drawn and limited to their deficit reduction purpose.

This ruling poses a serious threat to the Budget Committee as we will become more and more like the House Rules Committee and the Senate more and more like the House of Representatives.

For those of us who want deficit reduction, the majority seeks a very dangerous precedent today. For those of you who believe in the history of the Senate and unlimited debate and the right of Senators to offer amendments, the majority seeks to set very dangerous precedents today.

I urge my colleagues to vote to overturn the ruling of the Chair. If we do not, the Senate will surely became a different place and a much diminished institution.

Mr. President, I note the distinguished Senator from South Carolina, the former chairman of the Budget Committee, seeks recognition to address this issue. And I am sure my colleague, the current ranking member of Budget committee, does so as well.

I yield the floor for that purpose.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do not intend to stay and debate the issue very long. Perhaps Senator GORTON can stay in my stead.

But let me just suggest that in the view of this Senator the Budget Act offers a great deal of latitude to the U.S. Senate and to the Budget Committee. It can be controlled by the U.S. Senate, if the U.S. Senate chooses to do so. As a matter of fact, even on the Senator's point of order, if the Senate chooses to sustain his appeal, or to grant his appeal, the Senate will have decided that it does not in this reconciliation bill intend us to have three reconciliation bills. I believe that is a matter for the Senate.

But to argue that in this instance when you are contemplating a very large reconciliation bill with all kinds of things in it, one shot, one debate, one vote and that we cannot find a judicious way to do better than that by having more than one reconciliation bill, more than one opportunity to vote on this, seems to me to fly in the face of permitting the Senate to do its business in the best way that it can under very strict rules of the Budget Committee. And I, frankly, believe that this is a better way to handle a huge and varied number of bills—to have more than one debate. And, frankly, we are committed to a balanced budget and to the balanced budget continuing on beyond the 2002. We do not intend to have tax cuts to take us out of balance in 8 years. That would be matched up against entitlement savings that go on. It will be matched up against caps on discretionary programs that go on.

So the issue of us being forced to sunset, and in some way that is under the technical ruling today, in some way that puts us in the same boat with the President who has submitted a budget that is not in balance under the same rules that the Senate applies, and then to say we put it in balance by triggering and closing off the tax cuts and to

say they are the same, to me just flies absolutely in the face of every kind of factual assessment you want to make about the two budgets.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I appeal the ruling of the Chair, and ask for the yeas and nays.

The PRESIDING OFFICER. The Senator has already appealed. There is 1 hour to be equally divided.

Mr. DASCHLE. Is it not appropriate to ask for the yeas and nays at this time?

The PRESIDING OFFICER. It is appropriate to ask for them.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I am about to yield whatever is yielded from our time to my distinguished friend from South Carolina.

I think this debate has been absolutely fascinating because from the very beginning of the budget debate this year I was struck by what I had never seen before; and, that is three reconciliation bills. I simply say that the excellent debate that has taken place highlights the fact, and proves beyond any doubt what I have always suspected—that the majority in this case on the Budget Committee are trying to use this new reconciliation process to protect a tax cut from full debate and amendment, something they obviously could not get that done under the usual rules of the Senate. The budget reconciliation keeps those of us who are opposed to that kind of a proposition from using the traditional filibuster techniques. We should have a debate. We should have all of the rules in place when we talk about cutting or raising taxes.

I happen to feel that the move by the majority in this instance is an undisputed abuse of power and if it is allowed to occur, will it cause them great heartbreak in the future.

Certainly the Senator from South Carolina I believe has been on the Budget Committee since its inception, and I think there are few, if any in the body, who have a better understanding of what the intent of that legislation is.

I am pleased to yield to him whatever time he needs.

The PRESIDING OFFICER. The Senator from South Carolina

Mr. HOLLINGS. I thank my distinguished friend, the Senator from Nebraska.

Mr. President, I come to the floor of the Senate and I cannot keep up with everything going on. I hear different things—such as a ''Reconciliation Act of 1975''—which are totally false.

I also heard someone refer to Senator Long as having been chairman of the Budget Committee—also totally false.

When I hear these things I remember very, very clearly the history of reconciliation. I can tell you in the late 1970's we used to kid about reconciliation over on the House side; they said they could not even pronounce it. And if you go to the RECORD you will find that back in 1975, the Revenue Adjustment Act to which they are now referring was not a Reconciliation Act.

The assistant legislative clerk read as follows:

A bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954, and for other purposes.

That was not reconciliation. I know Senator Long could use language loosely from time to time. But that was not a reconciliation bill. We did not start reconciliation until December 1980. I was chairman of the Budget Committee, and the distinguished Senator from New Mexico was on the Budget Committee at that time. And I am sure the CONGRESSIONAL RECORD will reflect the fact that the first reconciliation bill in the history of the Government of the United States of America was in December 1980, and has nothing to do with the precedent noted by the Parliamentarian in 1975. Back then we only had 1-year budgets.

Now let me speak to the history of reconciliation. We started out discussing the matter with our colleagues on the House side. The distinguished Member from the State of Washington, Congressman Adams was the chairman at that time. And we talked back and forth. But after President Carter was defeated on a Tuesday in November, I went over that Friday to the White House, after we received new budget numbers from the Congressional Budget Office. The Congressional Budget Office projection of revenues and outlays showed that the deficit was going up to about $43 billion. I said, ''Mr. President, no Democrat is going to ever get elected if we don't cut the deficit. It is going to be the largest deficit in the history of the Government.'' He said, ''What are you going to do?'' I said, ''Well, there is a fancy word, Mr. President, reconciliation. I think I can get Chairman Giaimo to go along.'' I had talked to Bob ahead of time. I told the president, ''What it means is cut; to go back and cut those things that were already allocated.'' Now, back then the fiscal year was from July to July. We were already in December and we needed to try to reduce. That is the history of reconciliation—to reduce deficits.

This idea of coming in here and saying that the word is ''change'', and it does not specify up or down is totally out of the ballpark. It is in reference to the budget process. If we can find Mr. Giaimo from Connecticut we could bring him back here and some of the others—Brock Adams; Jimmy Jones who is now the Ambassador down in Mexico, they would tell you that reconciliation is a procedure to reduce the deficit.

The whole context given here this afternoon is that of minority-majority, majority-minority, and all of that. I understand that. The distinguished minority leader is right on target. But the greatest concern is that we may break all discipline from the majority or the minority in the United States Congress itself if we go this route. We have to overrule this nonsense. This ruling of the Chair is totally spurious with no basis whatsoever in fact.

The truth of the matter is that the bill considered in 1975 was not a reconciliation bill, it was a tax revenue act. If you look at the bill you'll see that it was not reconciliation. And while we are clearing things up, someone just a little while ago said Senator Long was chairman of the Budget Committee. Not only was he not chairman, he never served on the Budget Committee. He served as the distinguished chairman of Finance. We had our differences with Finance all along, the difference between Senator Muskie and Senator Long. I was there when those particular debates were going on.

I would plead to my colleagues very genuinely, to not violate the Byrd rule, which was to keep us sort of in harness and not just willy-nilly put anything on a reconciliation bill.

Let us not get around the debate with spurious arguments or about Senator Long as chairman of the Budget Committee that he never served on, or reconciliation that never occurred in 1975.

Now, Mr. President, these are the hard facts. If someone would get out the Congressional RECORD and look back, they will see that the first reconciliation bill was passed by the Congress in 1980. I have got the picture. I have got the frame. I am sure Giaimo has the similar frame. The first reconciliation act in the history of this U.S. Government was in December, 1980. It was signed by President Carter, and was 5 years subsequent to the authority they are using now to get around what is going on.

The problem here is the Presidential politics. It has gotten to be a cancer on this entire body. The plan is: we will make them vote on welfare; then we will make them vote on these other things; and then, finally in September, says that resolution, just before the election, we will bring up tax cuts, because the polls say everybody is against taxes. So we will just put them to the task.

What we have now is Presidential politics, and they ought to be ashamed of themselves. Their authority is absolutely fallacious.

I happened to be chairman of the Budget Committee at the time, and I told the President: if you can get Herke Harris and Jim McIntyre to leave us alone * * * because they were over on the Hill that fall trying to reelect President Carter, putting up money hither and thither. And I even went at that time to our liberal spending friends. I went to Senator Warren

Magnuson of Washington, Senator Frank Church of Idaho, Senator George McGovern of South Dakota, Senator John Culver of Iowa, Senator Birch Bayh of Indiana, Senator Gaylord Nelson of Wisconsin, who used to sit right here, and I said: You have got to give us one vote. We have got to cut this thing back; otherwise, we are going to leave the biggest deficit in the history of the Government.

The whole idea of the reconciliation—and I am giving you firsthand history; it is honest as the day is long—was to, by gosh, cut back on the deficit. It was not this nebulous argument that as long as it is a change then we can make it go up. I never heard of such a thing. We would have been run out of the Senate in those days. We had some discipline, some understanding of responsibility, some action of responsibility. It is totally irresponsible to come now and start ruling that you can put up a reconciliation bill since it is a change. Every bill is a change. So any bill can be called reconciliation. You can go up and you can go down and you can limit the debate. You can, as they call it, fill up the tree, so there are no amendments and there is a time limit and the majority retires from the floor and goes out to watch TV or something because they have the votes locked and fixed. It is really a shame. It is an embarrassment to this particular Senator who served as the chairman of the Budget Committee, and I can tell you the whole precedent given by the Parliamentarian is totally out of the whole cloth.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I wonder if the Senator from Nebraska would yield me just 2 minutes.

The PRESIDING OFFICER. Does the Senator yield to the Senator from North Dakota?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been fascinated in listening to the remarks, that are so much on point, by the Senator from South Carolina. I was there in 1980. I remember being called down to the White House on an emergency basis with the Senator as chairman of the committee. Chairman Giaimo was there, and I listened with keen interest to the keen recollection of the facts, with the names and the dates and the places by my talented colleague from South Carolina.

Mr. President, I am very much afraid that we are proceeding here in a fashion that the majority thinks is good politics. It is going to have dire, dire consequences in the future if we continue to proceed and fail to overrule the Chair. In all reality we know our appeal will fail because the Republican majority of 53 has the votes to roll us on this side at every occasion.

I would tell the Senate that other people who have had experience as Parliamentarians do not agree with the ruling of the Chair in this instance. But we should all realize and recognize—and the people in the gallery or the people watching on television maybe have some kind of questions—that the Parliamentarian, of course, is appointed by the party in the majority, and when we were in the majority we had our Parliamentarian. Now that the Republicans are in the majority, they are entitled to and have their Parliamentarian.

We like to keep the Parliamentarians as nonpartisan as possible, but I must admit that over the years I have been here I have seen our Parliamentarian rule in our favor, and while I cannot prove it, I happen to feel that today's Parliamentarian rules in favor of the people that appointed him. So the Parliamentarian is not like a Supreme Court Judge that has lifetime tenure which enables him or her to make determinations based solely upon history and fact. I would be the last, Mr. President, to indicate that politics could possibly be involved in the matter before us today—but sometimes it just might be.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. There are 27 minutes remaining on the majority time.

Mr. EXON. When the Senator from Missouri finishes—I will yield to the Senator from North Dakota. I have been advised that the Senator from North Dakota has to leave at 4 o'clock—I yield to him off the resolution.

Mr. BOND. Go ahead.

Mr. EXON. How much time does the Senator from North Dakota wish?

I yield the Senator whatever time he needs off the resolution.

Mr. DORGAN. Mr. President, let me just take 30 seconds. I do not think the majority party will want to establish this as a precedent. They would be here in full force, very angry with this, were it being done to them, were we to create multiple reconciliation bills in this manner.

But the main point I want to make is, we are told that this third reconciliation bill would violate the Byrd rule unless the tax reductions are sunsetted, or unless some other expenditure reductions occur or some other tax increases occur, in order to pay for the tax cuts in the out years. When that point was affirmed, that it would violate the Byrd rule unless that occurred, the chairman of the Budget Committee said that there would be caps on entitlements and other expenditure cuts in the out years. They would have to be done in this third reconciliation bill.

I ask, does anybody have information about what we are talking about? These would be cuts beyond what comes in the current budget recommendations of the Senate, so what kind of caps on entitlements or future cuts in the entitlement programs is the majority party proposing in order not to violate the Byrd rule? I ask the question only because the chairman of the Budget Committee made this point a few moments ago. If that is the intent, and if the information exists to tell us and the American people what that intent is in more specific detail, I think now would be the time for the majority to give us those details.

Mr. EXON. Before the Senator from North Dakota leaves, may I ask a question of the Senator from North Dakota? We heard a great deal and we have had a lot of criticism from that side of the aisle on the President's budget with the idea that it has a trigger in the last year or two that is not factual, not upfront, and not leveling with the American people. In view of the fact that that charge had been made, whether it is true or not, and I think it is not, could the same thing not be said with regard to the action taken by the majority in this case by having a trigger that would benefit them? That seems to be all right——

Mr. DORGAN. In response to the Senator, that is exactly the case that exists here. Either these tax reductions in the third reconciliation bill will be sunsetted, or there will be additional tax increases beyond the final year, or there will be additional cuts. It sounds like a trigger to me.

I am told now by the chairman of the Budget Committee they are talking about caps on entitlements in addition to what we see in the budget. My question is, what would those be? Will they tell us and the American people what they are talking about, so we understand before we proceed down this road?

Mr. EXON. I thank my friend. We reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4012

Mr. BOND. Mr. President, I yield myself 10 minutes off of the resolution, not on this point in specific.

I have a desire to talk about an amendment, No. 4012, the Harkin amendment, which cuts other committees and adds $2.7 billion to the Labor, HHS subcommittee. I say that for the information of any of my colleagues who may wish to join in.

Let me just say in respect to the discussions we have had, very important discussions over the procedure in the Budget Act, I disagree with the ranking member on the other side, who ascribes politics to the process and to the Parliamentarian. I think it is time we had some good policy, because in the past this body, with the active involvement of the Presidents of the United States, has run up a $5 trillion debt, almost $18,000 for every man, woman, and child in this country.

We are in the process of threatening the disability of our Government budget and the economy of this country as a whole if we do not pass a budget that responsibly gets us on a path to balance in the near future. The budget

resolution before us proposes to do that. It is a difficult budget. It is not easy, but I believe it is one that merits support.

There was discussion about the budget the President supported. That budget has been voted down. That budget proposed spending and said if it did not get to zero deficit in 2002, several automatic actions should be taken. Those automatic actions lead to about a $16 billion tax increase and increase in spectrum fees, which would come to a middle-class tax increase in 2002, plus $67 billion in cuts in domestic discretionary programs that would be extremely painful and, frankly, from what we have heard from some of the administration officials, they may even have no intention of pursuing.

Let me get back to the budget that is before us and, in particular, the Harkin-Specter amendment. This amendment, No. 4012, proposes to increase by $2.7 billion the amount in the functions for education, training and social services and for health activities. Everybody likes to be for education and for health care. That sounds very appealing. But that takes money out of other budgets that have been strapped—and severely strapped in the past. I note that it takes money out of the defense budget in many areas where there is no fat. It takes money, in specific, out of the budget for the Veterans' Administration and EPA, where we have suffered great cuts in the past.

Last year there was a rescission of $7 billion out of the funding for the VA, HUD, EPA subcommittee. Then, in the appropriations bills, there was about an $8 billion cut in these functions. Here the amendment before us would take more money from those functions and add it to the Labor, HHS subcommittee. Frankly, that budget under this bill before us would go up slightly for education. Certainly, we all like education. But the problem is very serious when you take a look at where this money would have to come from.

The proponents of this amendment say it will come out of administrative costs. This amendment says nothing about administrative costs. It just takes $1.2 billion out of one place, $1.5 billion out of another, $1.4 billion and $1.4 billion. It does not say anything about administrative costs. It does not define any fat.

The cuts that were taken in the VA, HUD, EPA subcommittee last year were draconian cuts. We had to look everywhere we could to find ways to cut low-priority programs to enable us to fund the major programs funded in EPA and Veterans' Administration. Just last week, this body voted overwhelmingly, 75 to 23, against very severe cuts that the President had proposed to take out of veterans medical care.

In addition, I think every Member of this body will recall that during the debates on the 1996 appropriations bill, the current-year spending bills, everybody wanted to spend more on the environment. Everybody had something more they wanted to add to environmental spending. Let me make it quite clear that if this amendment is adopted, the money is going to come out of the environment and/or Veterans' Administration health care. There is no other pot for it to come out of. There is no category of administrative costs and administrative waste that is going to be reduced. This money is going to come out of the environment and/or veterans health care.

I know everybody would like to put more money in education. Certainly, I would as well. But after the battles that we have had here, to try to get the funds increased to carry out the vital environmental programs that the EPA is charged with, I would be very surprised if people will vote to cut the environment, and then they will come back to this floor when we are debating the bill itself and say, ''Why can't we put more money in the environment?''

Mr. President, a vote for the Harkin amendment is a vote to take money out of the environment. It is a vote to take money out of VA medical care. These are the critical priorities that would be hit if this measure is to be adopted.

I strongly urge my colleagues not to support this amendment. It reflects some serious changes from the judgment made by the Budget Committee and it will take down funding, approximately $430 million cut for HUD-VA would be just about equal to the increase planned for VA medical care, or it would equal about one-half of the planned Superfund reserve fund increase.

These are vital priorities that have been debated on this floor in the past. We spent many months working to find additional offsets to put money into the environment. And if any of my colleagues are interested in the environment and are concerned about assuring that we have adequate funds to protect the environment, to clean it up, to leave the kind of environment we want to leave for our children, I urge them not to support this amendment to take money out of the environment.

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

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

POINT OF ORDER

Mr. HOLLINGS. Mr. President, I yield just 1 minute.

I ask unanimous consent to have printed in the RECORD a page from the ''Major Congressional Action'' of the Congressional Quarterly Almanac of 1980.

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

$8.2 BILLION RECONCILIATION BILL CLEARED

For the first time in the six-year history of the congressional budget process, lawmakers in 1980 approved ''reconciliation'' legislation designed to trim the fiscal 1981 budget deficit by more than $8.2 billion.

The bill (HR 7765—PL 96–499) cut back programs already on the books to achieve outlay savings of $4.6 billion in the year that began Oct. 1, 1980. It included revenue-raising provisions expected to yield $3.6 billion during the year.

Congress completed action on the reconciliation bill Dec. 3 when the Senate adopted the conference report on the measure (H Rept 96–1479) by an 83–4 vote. The House had approved the conference report earlier that day 334–45. (Senate vote 487, p. 70–S; House vote 581, p. 168–H)

Although some members castigated the bill as a ''backdoor'' method for creating new federal programs and expanding old ones, most participants in debate on the measure hailed it as a clear signal that Congress intended to get control of federal spending.

As Rep. Delbert L. Latta, R-Ohio, ranking minority member of the House Budget Committee, told House members: ''[I]f any of my colleagues are thinking about voting against this reconciliation, just keep this in mind, that if you vote against it, you are saying you vote for $8.2 billion more deficit for fiscal 1981.''

The final vote on reconciliation was the culmination of a six-month odyssey that started when Congress included in its first 1981 budget resolution (H Con Res 307) a provision requiring that authorizing committees come up with $6.4 billion in spending cuts in existing programs and $4.2 billion in new revenues. (Budget resolution, p. 108)

The Senate approved its version (S 2885), S 2939) of the reconciliation legislation in action June 30 and July 23, and the House passed its bill Sept. 4. The largest conference in the history of Congress, including more than 100 conferees, convened Sept. 18.

The conference itself took two months. Although many discrepancies were resolved quickly, the knottiest issues—involving cost-of-living increases for military and federal retirees, changes in Medicare and Medicaid, child nutrition programs, mortgage subsidy bonds and the crude oil windfall profits tax—delayed a final compromise until late November.

The ultimate conference agreement fell short of the $10.6 billion in savings targeted by the first budget resolution. It provided cuts of $4.631 billion in outlays ($3.092 billion in budget authority) and $3.645 billion in new revenues, for a total package of $8.276 billion in savings. The bill projected total savings for fiscal 1981–85 at $50.38 billion in outlays and $29.2 billion in additional revenues.

PROVISIONS

As cleared by Congress, H.R. 7765 provided for the following spending reductions and revenue increases:

SPENDING REDUCTIONS

Education and Labor, $840 million in budget authority and $826 million in outlays. Savings were achieved by lowering federal child nutrition subsidies and reducing participation by higher-income students in meals programs; facilitating collection of and increasing the interest rates for student loans; and limiting cost-of-living adjustments for Federal Employees Compensation Act benefits for job-related accidents to an annual basis.

Conferees also, however, extended the authorizations for several child nutrition programs—extensions that were not part of either the House or Senate reconciliation bills. (Story, p. 453)

Post Office and Civil Service, $429 million in budget authority and $463 million in outlays. Savings were achieved by cutting the authorization for pubic service appropriations to the Postal Service and repealing ''look back'' cost-of-living (COLA) benefits provisions for retiring federal employees, which allowed them to receive the benefit of

the previous COLA. Conferees did not change the current twice-a-year COLA benefits for military and federal retirees, which would have saved more than $700 million; the Senate had agreed to this modification. Conferees also prohibited the Postal Service from doing away with six-day mail deliveries.

Highway, Rail and Airport Programs, $375 million in budget authority and $917 million in outlays. Savings were achieved by limiting obligational authority for highways, reducing the authorization of the National Highway Traffic Safety Administration, restricting railroad rehabilitation, limiting funds for airport development, planning and noise control grants.

Veterans' Programs, although the reconciliation bill itself did not make any cuts in veterans' programs, the conference report cited savings of $487 million in budget authority and $493 million in outlays from veterans' legislation already enacted. These savings came from limiting burial allowances and terminating certain flight and correspondence training.

Small Business, $800 million in budget authority and $600 million in outlays. The savings reflected revisions in disaster loan programs included on the Small Business Development Act of 1980 (PL 96–302). (Story, p. 546)

Health, $12 million in budget authority and $915 million in outlays. Savings were to come, in part, from deferring until September 1981 the periodic interim payments to hospitals and revising Medicare reimbursements so they were based on fees charged when the service was performed rather than when the claim was processed.

Although the health conferees agreed to more than 80 new provisions in Medicare and Medicaid programs, many of the changes resulted in adding costs rather than savings. The new health benefits programs included expansion of coverage for home health services, benefits for care in outpatient rehabilitation facilities and increases in payments for outpatient physical therapy. (Story, p. 459)

Unemployment Compensation, $32 million in budget authority and $147 million in outlays. Savings were achieved by ending the federal reimbursement to states for compensation paid to former Comprehensive Employment and Training Act (CETA) workers; eliminating the federal payment for the first week of extended benefits in states that did not require recipients to wait a week before obtaining benefits; and denying extended benefits to those who did not meet certain work-related requirements.

Mr. HOLLINGS. Mr. President, I read the first three paragraphs:

For the first time in the six-year history of the congressional budget process, lawmakers in 1980 approved ''reconciliation'' legislation designed to trim the fiscal 1981 budget deficit by more than $8.2 million.

The bill . . . cut back programs already on the books to achieve outlay savings of $4.6 billion in the year that began Oct. 1, 1980. It included revenue-raising provisions expected to yield $3.6 billion during the year.

Congress completed action on the reconciliation bill Dec. 3 when the Senate adopted the conference report on the measure . . . by an 83–4 vote. The House had approved the conference report earlier that day 334–45. . .

And on. The rest of it, of course, is printed in the RECORD.

The facts themselves support the position taken here. The authority for this absurd ruling is totally out of context from the idea of the budget process and restrictions thereof. It was in response to the concurrent resolution instructions to the Finance Committee. It was not a reconciliation bill. The title of the bill itself said:

The assistant legislative clerk read as follows: ''A bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954, and for other purposes.''

It was a separate bill. It was not reconciliation, because we tried to get reconciliation earlier, and we finally got it 5 years after the Budget Act had been passed. There it is. The Congressional Quarterly, totally impartial, said the first reconciliation act. I will get the other Congressional RECORDS. So the very authority for this ruling is totally unfounded. We ought to overrule this ruling, so to speak, so we can maintain the integrity of the budget process and the integrity of the Senate itself.

I thank the distinguished ranking member.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, time and time again, we are proving the point that the theory behind the ruling of the Chair, as we understand it, which is totally faulty, has been destroyed —that theory has been destroyed completely—by the fact that we have proven beyond any doubt that the 1975 act, or whenever it was, that evidently the Parliamentarian is using as a basis for his theory is wrong.

Mr. HOLLINGS. Wrong as it can be.

Mr. EXON. Senator Long was on another course altogether. He was cutting taxes. He was not using the reconciliation process, as we know and understand it, as part of the budget bill.

The fact that words were used somewhere along the line is totally wrong when a Parliamentarian so rules because it is a faulty ruling, and I think most lawyers who look at it objectively will so agree.

I retain the remainder of our time, and I yield the floor.

Mr. BOND. Mr. President, I ask the Senator from Texas, is he prepared to go forward?

Mr. GRAMM. I am, Mr. President.

Mr. BOND. Mr. President, I yield the distinguished Senator from Texas 8 minutes on the argument on the appeal of the ruling on the point of order.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, there is one thing you have to hand our Democratic colleagues, they are absolutely consistent on tax policy. They are always consistent, and they are consistently wrong. They have three rules on taxes, and they never, ever violate them:

Rule No. 1 is that tax increases are always fair, they are always the right thing to do, and they are always supported.

Rule No. 2 is that tax cuts are always unfair, they are always for the rich, just as only rich people are ever taxed by tax increases, and they are totally consistent in applying these two rules.

If there were a rule No. 3, it would be ''see rules 1 and 2 above.''

What Senator DASCHLE is trying to do is stop us from voting on a tax cut, period. I remind my colleagues that this fund that we are setting up, this so-called reserve fund, provides a tax cut to working families, basically a $500 tax credit per child to working families who now have the highest tax burden in American history.

When I was a boy 8 years old in 1950, the average family in America with two children was sending $1 out of every $50 it earned to Washington, DC. Today, the average family with two children is sending $1 out of every $4 it earns to Washington, DC, and what we are trying to do is to reduce the tax burden on working families, especially working families with children.

Under our budget, we cannot give a tax cut larger than the spending cuts that we have written in the budget or we are violating our own budget and we are subject to a point of order. So we are not debating deficits here, we are basically debating whether or not we be allowed to cut spending and cut taxes on working families.

The Democrats always take the view that tax increases are good and they are always on the rich. In 1993, when they imposed, without a single Republican vote, the largest tax increase in American history, their argument was, this is a tax on rich people. Nobody making less than $115,000 a year is going to pay this tax. Well, it turned out it had a gasoline tax in it. They tried to have a Btu tax equivalent to a gasoline tax of 7 cents a gallon. What they were able to pass was a 4.3-cents a gallon tax on gasoline. It did not go to build highways. It went to general fund of the Government to spend. They taxed working people who have to drive their cars and their trucks to work to give money to people who do not work.

Secondly, they taxed Social Security benefits. The President proposed taxing anybody who was rich, by his definition, who made $25,000 a year.

When people raised questions about it, he said: ''Well, you know, many of these people own their own homes, and if they had to rent the home you could count that as income, if they own their refrigerator and they rented that, if they got an insurance policy or a little savings account.'' So shamed were Democrats in Congress that they did raise the level at which you started taxing their Social Security benefits to $34,000 a year.

By their definition, those are rich people. They were going to tax John Q. Astor, we were told. As it turned out, 80 percent of those taxes on this top 1 percent of income earners turned out to be Joe Brown and Son hardware store.

But the one thing you have to admire the Democrats about, they are absolutely consistent. And that is, they always raise taxes. They always raise

taxes. And they always say that only rich people pay taxes.

They are also consistent in that they never support cutting taxes. What we are trying to do in this bill is to give a $500 tax credit for working families. That tax credit phases out as all deductions do, at high-income levels.

The plain truth is, most American families never become truly economically successful until they are older and therefore almost by definition their children have grown up, gotten married, graduated from college. Mr. President, 75 percent of the tax cut we are talking about goes to families that make $75,000 or less. But following their basic rule that every tax increase is fair and every tax cut is unfair, they are against it.

I just want to remind my colleagues before they vote on this, that under the Clinton budget, if it were implemented, we would have the highest tax burden in American history at the Federal level, 19.3 cents out of every $1 earned by every American on average will come to the Federal Government to be spent.

What that means for working Americans is that for the first time in history, over 30 cents, in fact 30.4 cents, out of every $1 earned by every American family on average is not going to be spent by the people who earned it: it is going to be spent by their Government at the State, local, or Federal level.

Our colleagues who object to cutting taxes for working families say, this is only fair. What they really believe but they do not want to tell us is, they believe Government can do a better job of spending money than working families can. They believe that a two-wage earner family where both the husband and the wife are out working hard, they are making about $50,000 a year, or $60,000 a year, when they combine their two incomes—we are trying to let them keep $1,000 more a year to invest in their own family and their own future. The Democrats are trying to use a parliamentary maneuver to prevent us from voting on that because they want to spend that money. They do not want working families to be able to spend it.

This fits their principle. In the mid-1980's people discovered that in foreign policy the Democrats always blamed America first. What we are discovering in the 1990's is in domestic policy, they always tax America first. According to them, every tax is fair, every tax cut is unfair, every tax increase is paid for by rich people. Even if they are Social Security recipients making $25,000 a year, counting half of their Social Security, even if they are driving a pickup truck to work, Democrats think they are rich when it comes to raising their taxes.

But when working families who are struggling every single day to make ends meet—and they are watching the Government squander their money—when we try to let them keep $1,000 more a year to invest in their own children and their own families, somehow that is unfair, somehow suddenly they are rich.

In truth, for the Democrats, anybody that works for a living is rich. Well, I think working families can do a better job. That is why I think it is absolutely imperative that we defeat this parliamentary maneuver and that we have an opportunity to vote on cutting taxes for working families. I think they deserve the tax cut. I intend to vote for it. I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield myself such time as I may require off the resolution. I ask the Senator from Texas if he will spend a minute with me.

Mr. GRAMM. Sure.

Mr. BOND. Talking about the taxation philosophy. I wonder if he has taken a look at the amendments presented on this budget resolution.

Does the Senator see a theme in the amendments that have been presented in this budget resolution?

Mr. GRAMM. Well, I have not looked at the numbers. I would like to be educated on it. But as I look at them, we have a minimum of six amendments where the Democrats want to raise taxes and spend the money. And the number I looked at is that the tax increase was very substantial, over $180 billion total.

Mr. BOND. I say to my good friend from Texas, I show to my other friends, just some rough calculations we have done. So far, we have six tax increases that are proposed in amendments on this budget resolution. The Senator from West Virginia, Senator ROCKEFELLER, $50 billion; Senator BOXER, $18 billion; Senator WYDEN, $1 billion; Senator KERRY, $48 billion; Senator KERRY, $6 billion; Senator BYRD, $65 billion. As we calculate that, that comes up to about $188 billion.

Mr. GRAMM. What would they do with that money?

Mr. BOND. As I understand it, I say to the Senator, that would not go for tax relief. That would go for increased spending.

Now we are getting up—the record was set, I believe, in 1993, where we had a $240 billion tax increase. We still have a few hours left on this resolution, and all we need is about, as I calculate it, about $52 billion more in tax increases, and we could go over that $240 billion.

Does the Senator think maybe there is an effort to break that record?

Mr. GRAMM. I would say, if the Senator would yield, it is their record. It was the 1993 tax increase. And let me predict, not having seen what taxes those are, I bet you all those taxes are supposedly on rich people, people that drive automobiles and trucks and people that work for a living, which by definition are rich people. In fact, anybody that is taxed is rich and anybody whose taxes you cut are rich.

Mr. BOND. I see our distinguished chairman of the Budget Committee here, whose good office is responsible for helping frame this overall budget debate. I am happy to yield to him if he has some comments on this at this time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry. Since I was absent, I would like to be brought current. How much time in toto is still available for both sides on the resolution?

The PRESIDING OFFICER. There are 57 minutes for the Senator from New Mexico; 56 minutes for the Senator from Nebraska.

Mr. DOMENICI. Boy, are we doing well. We must just be in sync.

Mr. EXON. We agree on something.

Mr. DOMENICI. I am going to speak to this, but I ask, in my absence has anybody come to the floor with additional amendments? Are we using time to make our points here or is somebody coming with amendments?

Mr. EXON. The Senator and I have appealed over and over again to people to come to the floor or at least call us and tell us they are not going to offer the amendments. We have heard nothing from our side of the aisle on that. If the Senator has heard of anybody on his side of the aisle, that would be a step in the right direction.

Mr. DOMENICI. We have not.

Mr. EXON. To answer the Senator's question, it would appear to me that neither Republican Senators nor Democratic Senators seem anxious to come over and claim some time to offer the amendments that they said they thought was important enough to be considered. So that is all I know about the proposition. Nothing evidently has changed, I say to the chairman of the committee.

Mr. DOMENICI. I thank the Senator very much.

I shortly will offer three amendments on behalf of Senators on this side, one of them on behalf of Senator MCCAIN and two on behalf of Senator FAIRCLOTH. Obviously we will not speak to them. They will be put on the same list for a vote when the vote comes.

Mr. President, I want to use about 2 minutes here to just make an observation and make an inquiry of the Chair.

First, I do not ask the Chair or the Parliamentarian for any information on this, but it is obvious that the Byrd rule by definition does not apply to provisions of a budget resolution. It applies to the legislative language in the reconciliation bills.

Having said that, I have a parliamentary inquiry. It is brief. If a reconciliation bill reduced revenues in the outyears beyond the period of the reconciliation bill, but as a whole did not increase the deficit by virtue of offsetting spending reductions or revenue increases, would the revenue reductions violate the Byrd rule?

The PRESIDING OFFICER. No, they would not.

Mr. DOMENICI. I thank the Chair.

Now, Mr. President, I have an amendment.

Mr. EXON. May I inquire of my colleague, we have additional debate that was on the matter before the Senate. Do you wish us to finish that or do you want to go ahead? The Senator from South Carolina also wants to speak.

Mr. DOMENICI. It will take me 3 minutes to get these amendments done.

AMENDMENT NO. 4022

(Purpose: To express the sense of the Senate regarding spectrum auctions and their effect on the integrity of the budget process)

Mr. DOMENICI. Mr. President, I have an amendment regarding spectrum openings and the effect of their integrity on the process, and I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. MCCAIN, proposes an amendment numbered 4022.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE—TRUTH IN BUDGETING.

It is the Sense of the Senate that:

(a) The Congressional Budget Office has scored revenue expected to be raised from the auction of Federal Communications Commission licenses for various services;

(b) For budget scoring purposes, the Congress has assumed that such auctions would occur in a prompt and expeditious manner and that revenue raised by such auctions would flow to the federal treasury;

(c) The Resolution assumes that the revenue to be raised from auctions totals billions of dollars;

(d) The Resolution makes assumptions that services would be auctioned where the Federal Communications Commission has not yet conducted auctions for such services, such as Local Multipoint Distribution Service (LMDS), licenses for paging services, final broadband PCS licenses, narrow band PCS licenses, licenses for unserved cellular, and Digital Audio Radio (DARS), and other subscription services, revenue from which has been assumed in Congressional budgetary calculations and in determining the level of the deficit; and

(e) The Commission's service rules can dramatically affect license values and auction revenues and therefore the Commission should act expeditiously and without further delay to conduct auctions of licenses in a manner that maximizes revenue, increases efficiency, and enhances competition for any service for which auction revenues have been scored by the Congressional Budget Office and/or counted for budgetary purposes in an Act of Congress.

Mr. MCCAIN. Mr. President, this amendment expresses the sense of the Senate that when spectrum auctions are assumed in the budget resolution, that those auctions should occur in an expeditious manner and in a manner that is most efficient. The amendment does not force the FCC to act on any fashion other than that which is most appropriate.

However, Mr. President, I am concerned that the Commission move forward with auctions.

This amendment is about much more than auctions. It is about truth in budgeting. When the Budget Committee drafts a budget plan that includes auctions, it is assumed that those auctions will take place. To the Commission's credit, it has acted to auction much of the spectrum. And to date, over $20.2 billion has been raised by auction.

But we must continue to move forward. In order for the Government's books to actually balance, we must bring in money we intend to spend.

One such example is the issue of Local Multipoint Distribution Service [LMDS]. The Commission's rulemaking proceeding on LMDS is over 3 years old. For 3 years we have been waiting for auction revenues. In the mean time, LMDS technology which was developed by American entrepreneurs is being implemented elsewhere in such places as Canada, South America, and Asia.

LMDS will provide homes and offices with video, telephony, and other interactive data transfer applications including high speed Internet connections. In residential areas, for example, LMDS could provide a family with over 60 digital TV stations, 200 video-on-demand channels, two telephone lines, and a high-speed Internet connection.

But, Mr. President, again let me repeat that this amendment is not about LMDS or any other specific service. There are other subscriptions services that are set to be auctioned that I would hope the FCC soon acts on. I would hope that the Commission move forward on those matters also and the FCC view this amendment as our imprimatur to move forward. But as I noted, this amendment is about the FCC acting in an expeditious manner in order to ensure that when the Congress assumes that money will be coming in, it is in fact coming in.

Mr. President, I want to commend the Budget Committee and its chairman for moving the issue of spectrum auctions forward. For the most part, it has been reconciliation legislation that has mandated past auctions The Budget Committee has recognized that spectrum is a public asset, that it has great value, and that the American people should not only benefit by its use, but should benefit from its sale.

Now we must ensure that the auctions the Budget Committee has the foresight to call for do indeed occur. I would hope the Congress would adopt this amendment and that the FCC would act as instructed by the Senate.

AMENDMENT NO. 4023

(Purpose: To express the sense of the Senate regarding welfare reform)

Mr. DOMENICI. Mr. President, this is proposed by Senator FAIRCLOTH and expresses the sense of the Senate that balanced budget legislation should also contain a strategy for reducing the national debt. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. FAIRCLOTH, proposes an amendment numbered 4023.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING WELFARE REFORM.

The Senate finds that—

S. Con. Res. 57 assumes substantial savings from welfare reform; and

Children born out of wedlock are five times more likely to be poor and about ten times more likely to be extremely poor and therefore are more likely to receive welfare benefits than children from two parent families; and

High rates of out-of-wedlock births are associated with a host of other social pathologies; for example, children of single mothers are twice as likely to drop out of high school; boys whose fathers are absent are more likely to engage in criminal activities; and girls in single-parent families are three times more likely to have children out of wedlock themselves; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that includes welfare reform provisions and that is agreed to by the Congress and the President shall also contain to the maximum extent possible a strategy for reducing the rate of out-of-wedlock births and encouraging family formation.

Mr. FAIRCLOTH. Mr. President, President Clinton devoted two of his weekly radio addresses this month to the topic of welfare reform.

Like President Clinton, I was elected in 1992, and welfare reform was a key issue in my campaign. Since then I have introduced welfare reform bills in the 103d Congress and in this Congress as well.

The current impasse on welfare reform has existed since the President's second veto of welfare legislation sent to him by the Congress. I found the President's recent remarks on welfare reform to be particularly aggravating because so much agreement exists between the President and the Congress on the problems in our welfare system, and on most of the solutions, and yet bipartisan legislation passed by Congress has not become law.

In his May 4 address, the President said, ''The American people need a welfare system that honors American values: work, family and personal responsibility.''

The issues related to family and personal responsibility have been of particular interest to me. In fact President Clinton and I strongly agree on the problems in this area. On January

29 of this year, when the President appointed Dr. Henry Foster to coordinate the administration's new National Campaign to Reduce Teen Pregnancy, the President said:

This morning we want to talk about teen pregnancy, because it is a moral problem and a personal problem and a challenge that individual young people should face and because it has reached such proportions that it is a very significant economic and social problem for the United States.

He went on to say:

We know * * * that almost all the poor children in this country are living with one parent; that there are very, very few poor children, without regard to race, region or income, living in two-parent married households.

He continues by saying:

We know that there are an awful lot of good, single parents out there doing their best, but we also know it would be better if no teenager ever had a child out of wedlock; that it is not the right thing to do, and it is not a good thing for the children's future and for the future of the country.

Mr. President, I agree wholeheartedly with those points. Seventy-two percent of teenage births occur outside of marriage. I have stood here many times and emphasized that welfare reform that does not aggressively seek to reverse the rising rate of out-of-wedlock births, will not break the cycle of welfare dependency that is consuming more and more of our young people.

I have not been alone in sounding the alarm on this problem. Many of my Republican colleagues have joined me, and we have all learned from our friend, Senator MOYNIHAN, who first conducted ground-breaking research on this topic almost 30 years ago.

It is my strong belief that illegitimacy is the root cause of welfare dependency. Children raised in single parent homes are six times more likely to be poor than those raised by two parents, and girls raised in single parent homes are three times more likely to have children out of wedlock as well.

During last year's welfare reform debate, I advocated several approaches aimed at reducing illegitimacy. I supported the House efforts to limit the incentives in our current welfare program that, in effect, reward illegitimacy. I was also very proud that our welfare reform bill included a provision that I offered, which would promote and fund programs to encourage children to abstain from sexual activity before marriage.

I'll let the President finish my point on illegitimacy. In the statement that accompanied the welfare reform bill that he sent to Congress in 1994, he said ''Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform.'' I agree.

Mr. President, in his radio addresses, the President has highlighted the agreement that exists on welfare reform and also praised the States for work they have done on their own. In his most recent radio address, the President tried to take credit for innovative reforms recently proposed by the Republican Governor of Wisconsin, Tommy Thompson.

I think it is ironic that the greatest barrier to these innovative State programs is the current Federal welfare system which requires States to negotiate a lengthy, and potentially partisan, waiver process through the Department of Health and Human Services. By refusing to sign welfare reform legislation, the President is denying States the flexibility that our welfare reform bill was designed to provide.

Even though the President seemed to have endorsed the Wisconsin plan on Saturday, today's Washington Post contained a statement from White House Deputy Chief of Staff, Harold Ickes, that details of the Wisconsin proposal would have to be changed before the Department of Health and Human Services would approve the wavier.

With all this agreement that seems to exist between the Congress and the President, why can't the American people have the welfare reform that the Congress has passed, and the President has promised them?

Mr. President, my amendment simply states that it is the sense of the Senate that if welfare reform is included in new balanced budget legislation, that those provisions contain a strategy to reduce the incidence of out of wedlock births as well as encourage the formation of two-parent families.

AMENDMENT NO. 4024

(Purpose: To express the sense of the Senate regarding reduction of the national debt)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This is on behalf of Senator FAIRCLOTH referencing deficit reduction and the national debt.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. FAIRCLOTH, proposes an amendment numbered 4024.

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

The amendment is as follows:

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING REDUCTION OF THE NATIONAL DEBT.

S. Con. Res. 57 projects a public debt in Fiscal Year 1997 of $5,400,000,000,000;

S. Con. Res. 57 projects that the public debt will be 6,500,000,000,000 in the Fiscal Year 2002 when the budget resolution projects a unified budget surplus;

This accumulated debt represents a significant financial burden that will require excessive taxation and lost economic opportunity for future generations of the United States; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that is agreed to by the Congress and the President shall also contain a strategy for reducing the national debt of the Untied States.

Mr. FAIRCLOTH. Mr. President, this amendment would very simply express the sense of the Senate that if we enact a balanced budget plan this year—that such legislation should also contain a strategy for reducing the national debt.

The budget resolution we are debating today is a plan to balance the budget by the year 2002. But by the year 2002, our national debt will be $6.5 trillion.

Mr. President, this debt represents a massive burden on the American people and future generations of Americans. I am deeply concerned about this debt burden that we have placed on our children, grandchildren, and children yet born.

The budget resolution is a plan to end the deficit spending—which is certainly what we need. But I feel just as strongly that we need a plan to reduce this debt.

It took this country nearly 200 years to accumulate a debt of $1 trillion—and in the last 16 years the debt will have increased fivefold. This is not a Republican or Democrat issue—we don't need to assign the blame—we just need to develop a solution.

All this amendment would do is encourage the Senate—express that it is our sense that we develop proposals to deal with this massive debt burden.

POINT OF ORDER

Mr. EXON. Mr. President, I am about to yield whatever time he might need to the Senator from South Carolina.

I wish briefly to respond. How interesting it is that the debate has shifted from the very legitimate discussion that we were having here with regard to the faulty ruling of the Chair to a charge that Democrats are trying to block consideration of income tax reductions. Nothing could be further from the truth.

Just repeating irresponsible charges over and over again without providing any backup proof is nonsense. That has been an old debating technique for a long, long time. When the facts are not on your side, talk nonsense.

Mr. President, I want to get back, and I am sure my friend from South Carolina wants to get back, to the underlying problem that we have here that is far more than just one single independent ruling of the Chair. It is going to have far-reaching adverse effects on the U.S. Senate for as long as we can imagine into the future.

Instead of addressing that, the Republicans come forth with charts. They say we are trying to stop the tax cut. We are not trying to stop the tax cut. All we want is the tax cut to be brought up in the usual fashion, to be debated in the usual fashion under the usual procedures. We are trying to expose this glaring trick that the Republicans are trying, by separating their reconstruction instructions into three

separate bills. The last one with regard to tax cuts would come in September of this year, a couple months before the election. Of course, I would be the last to accuse the Republicans of playing politics with this —let me be the first.

We have just seen some charts presented here. They have done this before. They set up a straw man on fake straw and then they tear it down. They just had a list of Senators up there. They totaled up what those Senators had proposed and how much it would cost. No one has advocated raising taxes by the amount asserted from the Senator from Missouri. It is simply not the case that one can add up all of the offsets for amendments that fail. If the Senate chooses not to use an offset in one amendment, it is perfectly legitimate to try and use the same offset in a second amendment. When we do that, the Republicans set up a straw man—false numbers, false charges, false assumptions. Once again, setting up a straw man may fool the people of the United States temporarily, but not for long.

I want to correct just one more thing. I want to correct the record on the statistics used by the Senator from Texas. The share of the economy that goes to revenues to fund the Government is not at record levels. Let me repeat that: The Senator from Texas said that the share of the economy that goes to revenues to fund the Government is not at record levels. It was higher in 1969. It was higher in 1970. It was higher in 1982. Sure, sure, we would all like to have lower taxes. The question is, what should come first? What should come first, Mr. President? Balancing the budget of the United States or enacting tax cuts that we all would likely vote for once we get a balanced budget?

I yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, you can find the first two pages of the budget resolution conference report for fiscal year 1976 referred to as the authority for the Parliamentarian's rule about reconciliation back in 1975. I ask unanimous consent to have it printed in the RECORD. The report dated April 21, 1975 was submitted by Mr. Muskie, from the committee of conference. It is only a few pages, but I think it ought to be included.

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

SECOND CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1976

Mr. Muskie, from the committee on conference, submitted the following conference report to accompany H. Con. Res. 466:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution

H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) The appropriate level of total budget outlays is $374,900,000,000;

(2) The appropriate level of total new budget authority is $408,000,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $74,100,000,000;

(4) The recommended level of Federal revenues is $300,800,000,000, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6,400,000,000; and

(5) The appropriate level of the public debt is $622,600,000,000.

SEC. 2. The Congress hereby determines and declares, in the manner provided in section 301(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) The appropriate level of total budget outlays is $101,700,000,000;

(2) The appropriate level of total budget authority is $91,100,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $15,700,000,000;

(4) The recommended level Federal revenues is $86,000,000,000; and

(5) The appropriate level of the public debt is $641,000,000,000. And the Senate agree to the same.

Mr. HOLLINGS. Mr. President, a careful reading of this particular budget resolution finds no reconciliation instructions. How can you have reconciliation without reconciliation instructions?

I referred in my original comments to the fact that our distinguished colleague, the chairman of the Finance Committee at the time, Senator Long, wanted it to appear as reconciliation because he was trying to limit debate and limit amendments. He was probably the cleverest of all Parliamentarians around here. He always stood in the well there: "Yes, yes, Senator, I will take your amendment." He just took all these amendments, went over there, and you would never see them again. I remember it well.

But there was, as the record will show, no reconciliation—he called it and they gave him limited time, but it was not reconciliation. As chairman of the Finance Committee, he was complying with a particular bill. Just like now, under this concurrent resolution that we direct the Commerce Committee or the Armed Services Committee or any other committee, and they comply. They come up with their particular bill. That is not reconciliation.

As further authority, Mr. President, I refer to the statement made at that particular time by myself on December 3, 1980. I quote:

Every Senator who signed the conference agreement, and every Senator who votes to adopt it, has earned a share of the credit for this first historic exercise of the reconciliation power.

That was the first time we were able to pass a reconciliation bill, December 1980—there was not any kind of authority for reconciliation back in 1975.

Let me quote Mr. Henry Bellmon, ranking member at that particular time on the Republican side:

Mr. President, this truly is a historic occasion. Today we complete for the first time an important part of the Budget Act called reconciliation.

Mr. President, you cannot be more clear than that. They are using 1975, the actions taken by the chairman of the Finance Committee and a spurious ruling at that particular because there was no such thing as reconciliation instructions. Senator Long put in, as I said, and I read the particular title, a tax bill. It is a separate bill. It is not reconciliation. It is "a bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954." That is not a reconciliation bill.

Now, Mr. President, I am continually hearing from my distinguished colleague from Texas, and they run him out every now and then with the little charts, about the biggest tax increase. It is all Presidential politics—the biggest tax increase, the biggest tax increase.

Mr. President, I ask unanimous consent again that we include in the RECORD from the Washington Post an article by Judy Mann back in 1995, January 1. I ask unanimous consent the article be printed in its entirety in the RECORD.

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

[From the Washington Post]

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, "imposed the biggest tax increase in American history."

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next five years by a gross total of $268 billion, but with the expansion of the earned income tax credit to

more working poor families, the net increase comes to $240.4 billion in 1993. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over five years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. ''A dollar now is worth less than a dollar was back then, so that a tax increase of, say $10 billion in 1982 would be a tax increase of $15 billion now,'' says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. ''Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.''

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. ''The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.''

So was it a good idea? ''We needed to reduce the deficit,'' he says, ''we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.''

Other long-term benefits, he says, are that ''more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.''

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HOLLINGS. Let me ask for 2 more minutes.

Mr. EXON. I yield 2 more minutes.

Mr. HOLLINGS. I thank the distinguished Senator.

I read here: The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

So I hope they would at least respect the truth every now and again and quit referring to the 1993 reconciliation bill as the ''biggest tax increase.'' I happened to have voted for it. It is working. It has the deficit cut in half. In fact, the deficit dropped another $30 billion since last week.

Finally, Mr. President, under this limited time on April 24, 1991, we put in a bill—''we'' being Senator MOYNIHAN of New York, Senator Kasten of Wisconsin, and the Senator from South Carolina—we put in that bill to cut $190 billion in tax cuts for working Americans. The distinguished Senator from Texas voted against it. We said, let us put Social Security on a pay-as-you-go basis. It amounted to $190 billion in tax cuts on working Americans.

You can keep running him out with his charts, but I am going to run out with his record. He had a chance to vote for it, and he voted against it.

So spare us this particular off-Broadway act that we have to watch every other day or so—the biggest tax increase, and working Americans, around the kitchen table, and who is in the wagon and who is pulling it. We are in the wagon. The Congress is in the wagon. The people outside are the ones pulling it. The President is the one that has been cutting the deficit. And thank heavens for President Clinton, the only one in town since President Johnson that has cut the deficit.

I yield the floor.

Mr. EXON. Mr. President, just to add another fact to the statement made by the distinguished Senator from South Carolina, that largest tax cut in history that he indicated came in 1982, I believe. Is that what he said?

Mr. HOLLINGS. That is correct, tax increase.

Mr. EXON. I thought it might be interesting to note that the chairman of the Finance Committee at the time of the real largest tax increase in history, chairman of the committee of jurisdiction, the Finance Committee at that time, was Kansas Senator ROBERT DOLE.

I yield 5 minutes to the Senator from North Dakota.

Mr. CONRAD. I thank the ranking member, the Senator from Nebraska.

I must say that I was surprised to see the Senator from Texas out once again railing against the Democrats in the last package that we passed, saying that it was just a tax package. It is very interesting.

The Senator from Texas is not talking much these days about deficits. He is not talking about that much anymore. He is not talking much about debt anymore because we are 6 months away from an election. The Republicans are down by double digits in the polls. And so out comes the tax bogeyman. Let us haul that one out because that one seems to work pretty well. Let us run out the tax bogeyman. Let us run him around the track a few times.

Mr. President, let us read the RECORD. First of all, the biggest tax increase occurred on their watch. They controlled the White House. They controlled the U.S. Senate. They passed the biggest tax increase. Why did they do it? Because the deficits were skyrocketing. They were out of control. So they took action.

In 1993, the Democrats, when it was on our watch—we controlled the White House, we controlled the Senate, and we controlled the House—we took action. We can be proud of the action we took because we reduced these deficits. We have reduced them sharply. Let us just look at the record.

Mr. President, this compares the records of President Clinton, President Bush, and President Reagan. This is what has happened to the deficits under these three Presidents. These are the deficits in billions of dollars starting in 1980.

Ronald Reagan was elected. The deficit was about $70 billion a year. Ronald Reagan took office. By the way, it was not just Republican control of the White House; the Republicans controlled this body as well. They controlled the U.S. Senate, and they had effective control of the U.S. House of Representatives. Because everyone remembers what budgets passed in 1981, in 1982, in 1983, it was boll weevil Democrats joining with the Republican minority in the House, joining with the Senate majority, the Republican majority in the Senate, and a Republican President.

What happened? Here is the record on deficits. The deficits exploded. They exploded under this theory of supply-side economics. They exploded under this notion that you can just cut taxes and not cut spending, and that somehow it is all going to add up. The deficits went to over $200 billion a year.

Then, we see that we had the beginning of the Bush administration, and again deficits took off. This time they reached $290 billion a year. That is what the deficit was when Bill Clinton came into office. Bill Clinton inherited a $290 billion budget deficit.

Look at the performance based on a plan that we passed in 1993 without a single Republican vote. Not one. Not one. The deficit has gone down each and every year.

This morning we were told the deficit for this year will probably come in at less than $130 billion, a dramatic reduction in the budget deficit, in part because of economic recovery and in part because of the plan that we passed in 1993. We had the courage to stand up and do what needed to be done.

Mr. President, more needs to be done. It is not going to happen with this kind of running out and saying, well, we can just cut all the revenue of the Federal Government and somehow it will all

add up. We tried that before. It failed, and it failed miserably. Debt, deficits and decline, that is the direction our friends on the other side, at least some of them, seem to be willing to take us.

Mr. President, we should never ever go back to that policy of debt, deficits and decline. That way lies ruination.

I thank the Chair and yield the floor.

Mr. EXON. May I ask a question of the Senator from North Dakota.

I appreciated the Senator's factual remarks, and just to back up what the Senator has said, that is just not a Democratic Senator saying that. That is not just a Democratic Senator saying that based on the facts. The same thing was said by the Office of Management and Budget director under President Reagan. His name was David Stockman, and he admitted publicly—and I believe wrote in a book—that it was a sham all the way through. In fact, he used the words that all of this period the Senator has just alluded to was ''fiscal carnage.'' And he admitted that it was a Republican fiscal carnage. I just wanted to emphasize that. I am just wondering if the Senator had remembered that fact.

Mr. CONRAD. I actually read David Stockman's book, and he makes very clear that this was a policy they hoped somehow would all add up, and it did not. It was a miserable failure that dug a very deep hole for this country.

Mr. President, the facts are very clear. This is the record. Nobody can dispute these numbers. This is what happened.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CONRAD. I thank the Chair.

AMENDMENT NO. 4007

Mr. GRAHAM addressed the Chair.

Mr. EXON. Mr. President, I would like to advise the chairman of the committee we have good news; a Senator has arrived in the Chamber to talk about an amendment. The amendment was previously offered but the Senator from Florida seeks recognition, and at this time I hope we could allot him 5 minutes charged jointly against the two sides.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. DOMENICI. I have no objection to the time allocation.

Mr. GRAHAM. Mr. President, on Friday I filed amendment No. 4007, reserving the time to discuss that amendment until today. I wish to use at least 5 minutes to review this very terse but important amendment.

This amendment, Mr. President, provides that any funds which were derived by the more aggressive attack on Medicare fraud would be returned to the Medicare trust fund. We are facing two interrelated challenges. One is combating the rampant level of fraud which exists within our Medicare program and second is ensuring the solvency of the Medicare trust fund.

It has been estimated by the General Accounting Office that the rate of Medicare waste, fraud and abuse is approximately 10 percent and in some areas of the country is estimated to be twice that amount. If we could use even the more conservative estimate, an additional 2 million seniors could be served each year through Medicare just by reducing the level of Medicare fraud.

Medicare fraud ought to be the first place we look when we are considering reductions in the Medicare Program. Fraud undermines public confidence in Medicare. It is a very cost-efficient expenditure. One dollar spent on suppressing Medicare fraud on average will return in excess of $10 in reduced costs.

There are a number of solutions, many of which have been contained in legislation adopted by this Senate, which will allow for a comprehensive assault on Medicare fraud. We have prescriptions such as using the Medicare Federal hospital insurance trust fund as part of the source of financing, more effective investigations and prosecutions of Medicare fraud. It is the intent that those savings derived by that more effective effort be returned to the trust fund both to reimburse for the expenses that have come out of the trust fund for the investigations and prosecutions and also the return to the trust fund some of the money which was pilfered from it by the fraud itself.

Unfortunately, Mr. President, these efforts to assure that the savings derived by effective programs against Medicare fraud end up benefiting the trust fund for Medicare have been under assault. There are proposals, for instance, to divert these funds into new Federal spending efforts, efforts that are outside of the Medicare trust fund. There are also proposals to use it to finance new tax breaks.

As worthy as those other spending efforts or additional tax reductions might be, it is not appropriate to use funds derived from the Medicare trust fund through the efforts to suppress fraud which it finances for any purpose other than assuring the solvency of the Medicare trust fund.

So the amendment I have filed, which is amendment No. 4007, essentially establishes, as do other provisions within this budget recollection bill, a point of order which states, ''It shall not be in order for the Senate to consider any reconciliation bill, conference report or otherwise which would use savings achieved through Medicare waste, fraud and abuse enforcement activities as offsets for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund.''

So that is the essence of the amendment. It is to provide procedural protections to assure this Senate, to assure the American people, and especially to assure the over 35 million Americans who depend upon the Medicare trust fund for their hospital payments, that any funds which are pilfered from that trust fund, any funds which are used from that trust fund for purposes of effective enforcement will be for the benefit of the trust fund.

I urge adoption of this amendment. I thank the Chair. I thank my colleague.

Mr. EXON. Mr. President, I yield 2 minutes from our time to the Senator from South Carolina.

POINT OF ORDER

Mr. HOLLINGS. Mr. President, let me get right to the point of the statement I made back in 1980 when I was chairman of the Budget Committee and Mr. Giaimo of Connecticut, was chairman on the House side. Before I could get these records I put in a call to him. He is down in Florida just below Palm Beach. He verified my memory. Lots of times my memory is pretty good way back, and very precise, and then I cannot remember where I parked the car, so I always like to double check when I just speak from memory. He verified that Mr. Bellmon was the ranking member on the Senate side, and he and all the records show that the bill was not a reconciliation bill. There were not any reconciliation instructions in the fiscal '76 concurrent resolution on the budget, and the tax bill offered by Senator Long of Louisiana as the chairman of the Finance Committee was not a part of reconciliation.

I thank the distinguished Senator.

AMENDMENT NO. 3986

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank the Chair.

I would yield myself 5 minutes to speak on and in relation to amendment No. 3986 by Senators WELLSTONE and KERRY. This is an amendment which pertains to the violent crime reduction trust fund. It is a sense-of-the-Senate amendment. Since the time has not been yielded back, I am not in a position at this point to offer a second-degree amendment that I had considered, but I anticipate doing that at the appropriate moment.

I do want to speak in relation to this issue though because I think it is a fairly significant one. The sense-of-the-Senate amendment that has been offered talks in terms of full funding of the violent crime reduction trust fund. I think, Mr. President, we should go further than just put this in the context of a sense of the Senate. Indeed, my intention is to offer a second-degree amendment which would accomplish the goal of fully funding the violent crime trust fund by moving moneys for the years 2001 and 2002 from function 600. It is my view that we should also stop, the administration should be much more up front and much more consistent with regard to the facts concerning the COPS Program, and I think in addition that we should take action to minimize the administrative overhead in relation to the COPS Program. The second-degree amendment which I will offer tomorrow along with Senator COVERDELL would try to accomplish both of these objectives. Specifically, under the current law the violent crime trust fund is

set to expire in the year 2000, just 4 years from now.

This amendment that we intend to offer would provide the funds to keep it going to the year 2002. That would mean funds for the prison grants; the GREAT Program; Violence-Against-Women Program; violent crime reduction programs for the Justice Department; INS, DEA, FBI; funding for the immigration initiative and border control programs; Byrne grants, and the COPS Program.

We will be offering this amendment in due course to the Wellstone amendment because we feel the issue deserves more than just the sense-of-the-Senate recognition. We believe the trust fund needs to be protected. The underlying Republican budget already fully funds the trust fund. We plan to carry it forward through the year 2002.

In terms of the offset, it is our belief to fund this there would be corresponding reductions to function 600 in the budget. For those Members who might argue we should not be reducing this function below what was reported by the Senate Budget Committee, I point out that the Republican budget includes significantly more funding under function 600 in the years 2001 and 2002 than the President's budget that we voted on last week.

Specifically, over those 2 years the Republican budget currently exceeds the President's budget in the following areas: Low-income housing, $4.26 billion more; refugee and entrant assistance, $189 million more; child care and development block grants, $330 million, the WIC program, over $1 billion more, and the Commodity Assistance Program, $66 million more.

In other words, even after the amendment we would plan to bring tomorrow is adopted, the Republican budget will still provide more funding for these programs within the 600 function than the budget that the President has offered. At the same time, it would give us the ability to fully fund the violent crime trust fund.

So at this point I conclude my remarks in that I must become the Presiding Officer here. I will be yielding time to the Senator from Georgia so that he might make further comment on this. At this point I call upon him.

Mr. EXON addressed the chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, may I ask how much time the Senator from Georgia will need? We have had several speakers. We generally go back and forth. How much time does the Senator wish?

Mr. ABRAHAM. If the Senator from Delaware would like to go ahead, I think actually the Senator from Georgia will take over this seat so he can take it upon himself.

Mr. EXON. With that understanding, I am pleased to yield 3 minutes at this time to the Senator from Delaware. I believe under the rules he will be talking on an amendment, so the time should be charged on the amendment, which takes it jointly off of each side's time.

Mr. BIDEN. Mr. President, I thank the manager. I was going to respond very, very briefly to the Senator from Michigan who just spoke about the violent crime trust fund. As the author of that trust fund, I am saying I am delighted to see so many Republicans coming aboard now, having voted against the establishment of that fund.

I agree what the House did was outrageous and the proposals to cut the violent crime trust fund are equally outrageous. I want to point out, I want to remind everybody how we funded that. The Senator from Texas, Senator GRAMM, was a cosponsor of the funding of that. We cut it by agreeing to do what none of the previous Presidents had done, cut the Federal work force by 272,000 people: No new taxes. No new taxes. We funded it for 6 years.

Now I welcome the support for the trust fund and the recognition of the need for it, the recognition it may make sense to extend it beyond the 6 years for which we authorized it. The fact of the matter is, when I introduced that legislation and it was passed with six Republican votes—excuse my reference to partisanship here, but I find everybody is cutting the COPS program, they come and cut the prevention programs, there are fights on the floor here under the Republican leadership to cut the violence-against-women legislation—now I have Republican leadership talking about not only liking the trust fund but wanting to extend it another 2 years. I think that is a very worthwhile thing to do.

I hope, if there is a genuine intent to do that, we will first make sure you all sign on and we are not going to cut the trust fund now. We did not fully fund the crime bill trust fund, which is now the crime law trust fund, last year to the extent that there was money in the trust fund in 1996. The House did not fully fund the trust fund this year. We did not and are not fully funding it. The money is there. We are not spending any money that had not had the nickel dropped in the box. You take a worker's paycheck who no longer works for the Federal Government and you put it in the box and you hire a cop, you build a prison cell, you go out and deal with a serious prevention program like the drug courts, you go out and make sure you build more boys clubs and girls clubs.

So, I hope we are all singing from the same page here and that is that, A, by definition, the crime bill must be pretty good if we are extending the trust fund; B, if we are going to extend the trust fund another 2 years we should spend all that is in the trust fund for its stated purposes; and, C, I hope we are not going to decide we are going to keep kids out of crime, and trouble, and the drug stream by taking away the WIC program or taking away other programs to fund the COPS. There are better ways to do it.

But I am anxious and willing and delighted that there is the support for the full funding of the trust fund and the extension of the trust fund.

I yield the floor.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, as the manager I yield myself 3 minutes to support the statement you made, Mr. President, and the amendment to be offered tomorrow. I appreciate it, understanding the history of this from the Senator from Delaware. My support for his amendment is based in conjunction with setting of priorities. When we passed the crime bill we were told we were going to put 100,000 police officers on the street. Then, on May 12, 1996, George Stephanopoulos of the White House claimed under this COPS Program it would not be 100,000 police officers, it would be 43,000 police officers. And then on Thursday, May 16—that is just several days ago—the Attorney General, Janet Reno, stated, ''What I am advised is there are 17,000 officers that can be identified as being on the streets,'' as a result of the COPS Program. So, from 100,000 to 43,000 now we are down to 17,000 officers.

I think it is appropriate that if it is less than 20 percent of what is promised we ought to adjust the appropriation for that program, which is of course what your amendment does, Mr. President.

In reviewing the COPS officials efforts in their expenditures, I find they rented a 10-floor, 51,000 square foot office building to administer the program at a cost of $1.5 million a year. I would rather reinforce the priorities that were just enumerated by the Senator from Delaware than this typical Washington bureaucracy.

They have five full-time Washington public relations specialists. What are they there for? Do we need public relations specialists to deal with putting cops on the street? The answer is no.

In the 1995 budget, this program spent $10 million on administrative costs alone, funding 130 positions. Meanwhile the administration reduced by 100 positions the drug czar's office and only recently has indicated that would be repaired.

For fiscal year 1996 this program proposed to double—double the number of administrative officers to 310 positions. Management and administration would reach over $29 million by fiscal year 1997, under the President's proposal.

So, what we have here is a program that was much touted that would put 100,000 cops on the street; Then we said no, it is only 43,000, but the Justice Department verified that less than 20 percent, only 17 percent of that program has been fulfilled. The reason is, it is bait and switch. It gets the community into the program but then after 3 years the community is stuck with the bill.

In the meantime, the administrative support of the program has it as if we had the whole shebang out on the

street. So it is time to scale back these administrative positions, this 10-story building, this 51,000 square feet, and get the administration down to the level commensurate with the actual product that this program has produced.

I yield the floor.

Mr. BIDEN. Mr. President, I ask unanimous consent—and I will not do this again to my friend—that I have 3 more minutes.

Mr. EXON. I yield 3 minutes to the Senator from Delaware.

Mr. BIDEN. My friend from Georgia has his facts wrong, with all due respect. What the administration said was, we have already funded, of the 100,000 cops, 43,000 to date. When the Republicans were telling us we would not get 20,000, remember Charlton Heston, ''Moses,'' was on TV saying this is only 20,000 cops from the entire 6 years of the program.

We have already funded—who being recruited, being hired and being trained—43,000 cops already. Already. And because of the Biden crime bill, there are 17,000 of these 43,000 cops on the streets as we speak, with the remaining 26,000 having been funded and in the process of being recruited, hired and trained.

Now, in terms of administrative costs, I challenge any of my Republican friends to pick up the phone and call any one of their local police agencies and ask them about the bureaucratic morass in cost. We insisted this get down to a one-page application. All the cops need do is send in a one-page application. It has been the most stunningly successful nonbureaucratic program that has been around in the last 20 years.

No. 2, cost, administrative costs, 10-story building, whatever that was about. The 100,000 cops has administrative costs of just over 1 percent, just over 1 percent administrative cost for putting 100,000 cops on the street over the duration of the bill, which takes 6 years.

My Republican friends have come along with this brilliant idea of a block grant. You know what they factor in for the block grant? Three percent overhead. The 100,000 cops program is one-third or one-half below what the Republican proposal calls for in the block grant proposal. It is actually less than the block grant. This is, with all due respect, poppycock.

Folks, nobody thought a year after this program was underway we would have it going, the administration—any administration—would have it going as well as it is: 17,000 cops making arrests as we speak because of Federal funding for cops that did not exist a year and a half ago; at total of 43,000 funded being recruited, being hired and being trained as a consequence of the crime bill right now. Right now. We have not gotten to 100,000 yet. No one said that. It was always said it would take the duration of time to get to the full 100,000.

The last thing, in 3 years they are going to have to pay their own way—

Mr. COVERDELL. Will the Senator yield?

Mr. BIDEN. I will be happy to.

Mr. COVERDELL. I do not want to get into extended debate.

Mr. BIDEN. I would love to.

Mr. COVERDELL. I do want to read the quote:

> Next week, 43,000 of the 100,000 cops will be on the street.

That is the quote.

Mr. BIDEN. Mr. President, in response, that is Mr. Stephanopoulos, who knows about one-fiftieth of this as I do. He is not the Attorney General; he is not anyone. He makes mistakes on occasion. What he meant to say, I am sure, is 43,000 funded and being recruited, being hired. You get recruited and hired before you go into training. You are not on the street yet.

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

Mr. BIDEN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask that it be charged equally.

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. HOLLINGS. 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. EXON. I yield 3 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, referring again to the RECORD made back in 1975. The Parliamentarian points out the fact that Senator Muskie called it the reconciliation bill in that 1975 discourse. The truth of the matter is Senator Hartke raised that point.

Mr. President, I suggest the absence of a quorum while I search for the particular quote.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. 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. HOLLINGS. I just reviewed the particular statement by Senator Muskie back in 1975. As I alluded in my original remarks, Senator Hartke of Indiana said, ''Where do you get that this is a reconciliation bill? There is no reference.'' Senator Muskie said, ''That is what Senator Long called it.'' He said, ''Just by calling it that, does it make it a reconciliation bill?''

I was going to read the exact quote, but I think the full RECORD should be included here at this point with respect to that special act in 1975. It is used as the authority that was a reconciliation bill. It responded to the second concurrent resolution.

You read that RECORD. Mr. Muskie came on the floor at that particular time. He was catching up with what Chairman Long of Finance was doing and was trying to justify it. But the truth of the matter is, the RECORD will clearly show that the tax bill was only in response to the second concurrent budget resolution and not any reconciliation instructions. That was brought out by Senator Hartke. The exact discourse will be included in the RECORD. I had it here.

Mr. President, I ask unanimous consent that it be printed in the RECORD.

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

[From the Congressional Record, Dec. 15, 1975]

Mr. MUSKIE. Mr. President, I think this might be a good point, with somewhat of a lag in floor discussion, to discuss the pending legislation, as chairman of the Budget Committee. I shall speak briefly of the relationship of the tax reductions contained in H.R. 5559 and the requirements of the congressional budget process.

The second concurrent budget resolution for fiscal year 1976, which is now binding upon Congress, provides for extension of the temporary antirecession tax cuts of 1975 at a level which will maintain current tax withholding rates until the end of June 1976. The resolution mandated the Finance and Ways and Means Committees to report such legislation—specifically, legislation which would decrease fiscal year 1976 revenues by approximately $6.4 billion less than what they would be under existing law. H.R. 5559 meets this standard.

Extension through June 30, 1976, of the temporary lower withholding rates established last spring will allow adequate time for Congress carefully to develop budget targets for fiscal year 1977 including an overall spending ceiling and revenue floor. These targets will be established in the first concurrent resolution to be adopted by Congress next May. This schedule will allow Congress to establish reasoned and accurate fiscal year 1977 spending and revenue decisions at the first available opportunity under the new congressional budget discipline. If Congress determines at that time to further extend or alter the original 1975 tax reductions, legislation to implement that decision can be enacted before the June 30, 1976, expiration date.

I would also like to take this opportunity to praise the Finance Committee, and particularly its chairman, the distinguished Senator from Louisiana, Senator LONG, for so closely integrating the vital work of the Finance Committee into the framework of the new congressional budget process. Decisions affecting Government revenue levels are vital both to eliminating future budget deficits and to maintaining the momentum toward economic recovery. Thus, the close coordination of the tax writing committees with the budget process is essential if the process is to be successful.

The fact that H.R. 5559, as reported by the Finance Committee, meets the reconciliation instruction in the second concurrent budget resolution is proof of the commitment of the Finance Committee to the successful working of the new budget process.

Since H.R. 5559 constitutes the first so-called reconciliation bill required to be reported in the Senate under the Budget Act, I would also like to explain very briefly how reconciliation bills fit into the overall budget process.

In recent months, I periodically informed the Senate as to the consistency of various bills with the budget targets established by the first concurrent resolution last spring. Subsequently, the second concurrent budget resolution has just been adopted which establishes binding overall revenue, spending, and debt figures for fiscal year 1976.

The Budget Act provides a special procedure to insure rapid enactment of legislation to bring current congressional legislative programs into line with the figures established in the second concurrent resolution. This legislation—which can affect spending authority, budget authority, revenues, or the public debt limit—is known as a reconciliation bill. After enactment of the reconciliation legislation, the focus of the budget process will shift to insuring that subsequent legislation does not breach the second resolution figures.

The Budget Act provides that legislation subsequent to a reconciliation bill will be subject to a point of order if it causes either expenditures to exceed the relevant spending ceilings or revenues to fall below the revenue floor established in the second concurrent resolution.

With respect to reconciliation bills affecting either spending or revenues, the Budget Act requires they fully carry out the reconciliation instructions given in the second concurrent resolution. The act further provides that no amendment not germane to the provisions of that reconciliation bill is in order.

Therefore, in the case of the present second resolution requirement that fiscal year 1976 revenues be reduced by approximately $6.4 billion, amendments to the reconciliation bill which would further reduce revenues more than $6.4 billion or raise revenues above the $300.8 billion set as the appropriate revenue floor for fiscal year 1976 would be out of order.

The Budget Committee looks forward to working with the Finance Committee in enforcing the revenue floor and spending ceilings after this legislation is adopted.

May I make the point that this is the point at which we move beyond persuasion, which has worked very effectively and to my satisfaction, up to this point, to the discipline of a point of order.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I yield to my good friend.

Mr. HARTKE. How does this bill, which is the pending business, become a reconciliation bill without being designated a reconciliation bill?

Mr. MUSKIE. I think that when we see an apple that looks like an apple, we call it an apple.

Mr. HARTKE. How can we say this bill is the specific reconciliation bill?

Mr. MUSKIE. If it is not that, then it is out of order, as to cutting revenues.

In the first place, I understand the manager of the bill has described it as a reconciliation bill. But beyond that, the only revenue cut that is permitted under the second concurrent resolution is a cut of $6.4 billion. If this bill is not the instrument for achieving that cut, the assumption would have to be, I guess, that a bill is coming along that would. In that case, this bill, being extraneous to that, could be held to be out of order. But I think that is a semantic discussion. We do not mandate the words. All we do is mandate the action.

When I say ''we,'' I am talking about Congress as a whole.

Mr. HARTKE. In other words, the chairman of the Committee on the Budget has made an assumption that this is a reconciliation bill.

Mr. MUSKIE. No, may I say, the chairman of the Committee on Finance has told me it is a reconciliation bill.

Mr. HARTKE. The chairman of the Finance Committee can make a statement, but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its being a reconciliation bill; there is no mention of it in the report as being a reconciliation bill. Therefore, I think a point of order would not be well taken in regard to any amendment, because it is not a reconciliation bill. This is a tax reduction bill.

I can see where the Senator may assume, but it is an assumption which is not based on a fact.

Mr. MUSKIE. May I make my point as simply as possible? The second resolution does not permit tax reductions beyond $6.4 billion. If the Senator chooses to say that the proposed tax reduction does not come in a legislative vehicle that could properly be described as a reconciliation bill, still, in my judgment, he cannot escape the point that if it is not that, it is, nevertheless, out of order if it exceeds $6.4 billion.

I really do not know why the Senator is chasing his own tail.

Mr. HARTKE. I am not chasing my tail. I will point out, very simply, that in my judgment, this is a case where two Senators have gotten together and agreed that this is reconciliation bill and there is nothing in the record to show that it is a reconciliation bill.

Mr. MUSKIE. May I say to the Senator, I have never discussed this with Senator LONG. If the Senator says I have gotten together with him, the only way in which we have gotten together is that the second concurrent resolution mandates a tax reduction of $6.4 billion and the chairman of the Committee on Finance has reported a bill which reduces revenues approximately $6.4 billion. In that open and nonconspiratorial way have the Committee on Finance and the Committee on the Budget ''gotten together,'' in the words of the Senator.

Mr. HARTKE. Let us avoid any conspiracy, but the fact is that I think there are not very many, if any, Senators on this floor that had the idea that this bill would not be subject to amendment, other than the fact that there was a unanimous-consent agreement, which is an entirely different proposition. The germaneness rule only comes into effect if this is a reconciliation bill.

Mr. MUSKIE. Why does the Senator not test the point? He is not going to persuade me of it.

Mr. HOLLINGS. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4025

(Purpose: To express the sense of the Senate regarding the funding of Amtrak)

Mr. EXON. On behalf of Senator ROTH, with myself as a cosponsor, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. ROTH, for himself and Mr. EXON, proposes an amendment numbered 4025.

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

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

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE FUNDING OF AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) a capital funding stream is essential to the ability of the National Rail Passenger Corporation (''Amtrak'') to reduce its dependence on Federal operating support; and

(2) Amtrak needs a secure source of financing, no less favorable than provided to other modes of transportation, for capital improvements.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) revenues attributable to one-half cent per gallon of the excise taxes imposed on gasoline, special motor fuel, and diesel fuel from the Mass Transit Account should be dedicated to a new Intercity Passenger Rail Trust Fund during the period January 1, 1997, through September 30, 2001;

(2) revenues would not be deposited in the Intercity Passenger Rail Trust Fund during any fiscal year to the extent that the deposit is estimated to result in available revenues in the Mass Transit Account being insufficient to satisfy that year's estimated appropriation levels;

(3) monies in the Intercity Passenger Rail Trust Fund should be generally available to fund, on a reimbursement basis, capital expenditures incurred by Amtrak; and

(4) amounts to fund capital expenditures related to rail operations should be set aside for each State that has not had Amtrak service in such State for the preceding year.

Mr. ROTH. Mr. President, I rise to offer a sense-of-the-Senate regarding funding for Amtrak. My amendment has a very simple and important purpose. It states that Congress should establish a secure source of financing, no less favorable than that provided to other transportation modes, for capital improvements to intercity passenger rail.

Recognizing Amtrak's severe needs for capital investment, I have introduced a bill, S. 1395, that would give Amtrak a dedicated source of funding. This legislation has already been approved by both the Senate Finance Committee and the Senate Commerce Committee. The legislation creates a new intercity passenger rail trust fund which would be funded by transferring revenues from the one-half cent excise tax that is currently going into the mass transit account. If this legislation is enacted, Amtrak would be able to use $2.8 billion over 5 years for capital improvements, and States that do not have Amtrak service would be able to fund capital expenditures related to rail operations.

Some of my colleagues have argued that taking one-half cent from the mass transit account would hurt the viability of this account. I would like

to clarify that the establishment of the intercity passenger rail trust fund would not have an adverse impact on mass transit or any other modes of transportation. There is currently a large unspent balance in the mass transit account, totaling about $10 billion. My legislation would only cost $2.8 billion over five. To ensure that the mass transit account would not be adversely affected by transferring the one-half cent, the bill provides that Amtrak would be prevented from receiving any funds from the rail trust fund if the balance in the mass transit account is insufficient to cover transit spending for the current and following fiscal years. Current projections indicate that this would not occur over the 5-year life of the rail trust fund.

Mr. Chairman, we are all working toward an Amtrak which operates without a Federal operating subsidy, which provides quality service, and which is financially stable. Amtrak now covers approximately 80 percent of its operating costs with self-generated revenue, up from just 48 percent in 1981. Yet we also know that no intercity rail passenger service anywhere in the world operates without some degree of public sector financial support.

Mr. Chairman, if Amtrak is to stay alive and become economically healthy, there is no doubt that it will need the labor and management reforms contained in the Amtrak authorization bill which I know Senators LOTT and PRESSLER and other Members hope to see enacted this year. Amtrak will need to continue to do its own internal restructuring. It will also need a dedicated trust fund to support capital needs in the same way we provide capital for highways and airports.

Investment in all modes of transportation is important, but we have gone about it in a lop-sided way. Purchasing power for Federal highway programs has increased by 48 percent from 1982 to 1996. It has increased 78 percent for aviation, but has decreased 46 percent for passenger rail. In fact, Amtrak currently receives less than 3 percent of all Federal transportation spending. To attain balance, we must balance our financial support to all transportation components, including passenger rail service.

As I have stated before, a secure source of capital funding is necessary for Amtrak's future economic health. New capital investments will allow Amtrak to operate more efficiently. With new equipment, Amtrak will attract substantial new ridership—bringing with it increased revenues and allowing Amtrak to eliminate its dependence on Federal operating subsidies. It currently costs Amtrak $60 million per year to operate and maintain its old equipment, which frequently breaks down and often requires parts to be specially made.

As a Senator living along the Northeast corridor, I cannot stress how important it is that we have intercity rail service. Depending on the Senate schedule, I ride the train almost daily between Wilmington and Washington. Without Amtrak, I would not be able to live in Wilmington and work in Washington.

Here in the Northeast, Amtrak is the dominant public carrier, with more than 10 million riders a year. Between Washington and New York it takes care of 43 percent of the combined air/rail passenger market. The need for rail service is also growing in other parts of America. For example, Amtrak service between San Diego and Los Angeles serves two million people. Routes also are growing between New York and Boston; Chicago, Milwaukee, St. Louis, and Detroit; and between Portland and Seattle. In fact, many of our rural communities are almost completely dependent on Amtrak for their transportation needs.

As someone concerned not only about the environment, but about traffic congestion, especially in the Northeast, where we lack the lands and resources for new roads, I am a proponent of Amtrak.

Simply put, Amtrak is safe, fuel efficient, speedy and the best transportation alternative for millions of Americans. It's $2.2 billion budget directly generates some 25,000 jobs nationwide, and more than than 33 million Americans across the country commute to work on Amtrak-operated systems throughout the country. I am grateful for the service Amtrak provides me and the thousands of men and women who depend every day on Amtrak.

If Congress hopes to privatize Amtrak in the next 5 years, and if we support continued intercity passenger rail service—service that is vital to both rural and urban areas—we must vote for a dedicated trust fund for Amtrak.

Mr. President, thank you and I yield the floor.

Mr. GRASSLEY. Mr. President, I rise in opposition to this sense-of-the-Senate resolution offered by the Senator from Delaware that would allow Amtrak to invade the highway trust fund for its financial wants.

Under this plan, Amtrak would divert one-half cent per gallon of the highway automobile fuel tax, from the mass transit account of the highway trust fund, and into a new trust fund designed to benefit Amtrak trains. By voting for this resolution, Senators would vote to classify much of this entirely new spending from this new trust fund as direct spending under the Budget Enforcement Act. Thus, this sense-of-the-Senate resolution resolves the Senate to both plunder the highway trust fund and create a new entitlement. Now is not the time to create new entitlements; now is the time to show our sincerity in balancing the Federal budget.

Mr. President, Senators should vote against this Amtrak resolution because it steals much needed capitol funds from our country's mass transit systems. And let me remind my colleagues that Amtrak is not the same as your local mass transit system. Both may carry significant numbers of passengers when compared to the private automobile, but the similarities end there and the differences begin. Local mass transit carries the working poor, disabled and the elderly to jobs, to local clothing and grocery stores, to medical services, and other amenities of the local community. These are people who do not have access to other modes of transportation and are highly dependent on the local mass transit system. Mass transit carries more people in 1 day than Amtrak carries in 1 year.

Let me also remind my colleagues that 60 percent of the cuts made in the fiscal year 1996 transportation appropriations came from mass transit.

Amtrak, on the other hand, has a very different ridership. A study states that ''travel on Amtrak by persons with incomes above $40,000 is 3.5 times higher than intercity buses and nearly 1.5 times higher than airlines.'' This is not the working poor trying to get to their job, or the elderly to medical care. It is all well and good to buy new scenic cruisers and build train stations in New York, but not at the expense of getting people to their jobs, or to the doctor.

Mr. President, on May 6 the White House issued a statement of administration policy on S. 1318, which reauthorized Amtrak. I as unanimous consent that that statement be entered into the RECORD after my remarks. It is clear from that statement that the administration has deep concerns about changing Amtrak's funding. In that statement the Office of Management and Budget ''strongly opposes'' providing Amtrak appropriated funds on an accelerated basis, fearing that this ''would unnecessarily increase Federal borrowing costs.'' They also oppose ''subordinating the Federal interest as a creditor in the event of a default under the section 511 loan program'' and the proposed Federal guarantee of new borrowing authority for Amtrak authorized in this legislation.

I have to ask my friend from Delaware if he intends to create a new tax to subsidize Amtrak as a follow-up to his sense-of-the-Senate resolution?

I ask this because my reading of the amendment is that revenues taken from the highway trust fund and re-routed to Amtrak shall be re-routed between the period of January 1, 1997, through September 30, 2001.

However, my reading of the Tax Code (§9503, 1996 Cumulative Annual Pocket Part, West Publishing Company, 1996.) tells me that the fuel tax for the highway trust fund expires on September 30, 1999. Thus, under current law there will be no revenues for 2 full years of this subsidy, if this subsidy were law. Indeed, under current law, the only automobile fuel tax that will survive after September 30, 1999, is President Clinton's 1993 4.3-cent-per-gallon fuel

tax increase for the general fund that so many of my colleagues in the Senate oppose.

Therefore, I again would like to ask my friend from Delaware if he intends to increase highway taxes in the future, and is this the first step toward that tax increase?

If Amtrak needs the Senate to sustain or increase a tax, then I especially urge all of my colleagues who oppose tax increases to consistently oppose this Amtrak sense of the Senate because, like all other tax increases, it will hit the pocketbooks of taxpaying Americans.

Senators should vote against this Amtrak train invasion of the highway trust fund because this proposed new Amtrak trust fund contradicts any efforts to balance the budget. Senate bill No. 1395 outlines the plan for the new Amtrak trust fund. That bill legislates direct spending from the highway trust fund, through the new Amtrak trust fund, and into Amtrak. I believe that Congress should not now be creating a new and special entitlement for Amtrak while at the same time we are reducing the growth of other more important entitlements that affect many more Americans. We in the Senate are in an historic and difficult process of offering this Nation a balanced budget. If this budget succeeds, it will be the first balanced budget enacted since 1969. While attempting to achieve a balanced budget plan for fiscal 1996, many in Congress have already made painful sacrifices. The budget resolution for 1997 requires that many of us repeat those same sacrifices. Given the choice, Mr. President, many of us might rather spend the necessary revenue offsets to increase funding for Medicare or Medicaid or for the protection of the environment. Therefore, it is inappropriate that Congress would at this same time create a new entitlement for Amtrak.

Mr. President, this Amtrak resolution further cuts against a balanced budget because it is new spending. As the second most senior Republican Member of the Senate Budget Committee, I am here to remind everyone that the highway trust funds are on the budget. Though there is a separate account for the highway trust funds, there is no separate book. Any new and additional spending for Amtrak is to feed yet another hungry mouth, and yet another break in our fiscal dam. Therefore, in our budget balancing efforts, funding Amtrak from an existing source still requires that the Senate either raise someone else's taxes, or cut someone else's spending without a thorough review. I am against both. I want to balance the budget.

Additionally, I will say that though this sense-of-the-Senate resolution regards a revenue bill, the Senate Committee on Finance has held no hearings on the underlying bill, nor has it held a general hearing on the Amtrak train's invasion of the automobile driver's highway trust fund moneys.

In summary, Mr. President, a vote in favor of this Amtrak sense of the Senate is a vote against highways and against automobile drivers. It is a vote in favor of corporate welfare and against Medicare and Medicaid beneficiaries. Indeed, this sense-of-the-Senate resolution for Amtrak is a vote against a balanced budget.

I encourage all of my colleagues to join me in voting ''no'' on this resolution to bail out Amtrak by invading the automobile driver's highway trust fund and creating new spending.

Mr. President, I ask unanimous consent that a statement of administration policy be printed in the RECORD.

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

STATEMENT OF ADMINISTRATION POLICY

S. 1318—AMTRAK AND LOCAL RAIL REVITALIZATION ACT

The Administration agrees with the thrust of S. 1318, to enable Amtrak to respond to consumer needs and market realities and to free itself from Federal subsidies. Although S. 1318 includes many provisions to that end, some of its provisions could impede achievement of these objectives or impose other unnecessary burdens.

The Administration is generally opposed to the imposition of arbitrary caps on punitive damage amounts, and would strongly oppose the inclusion of any provision in S. 1318 imposing such caps.

The Administration also strongly opposes the requirement that appropriated funds be provided to Amtrak on an accelerated basis. This requirement, which is not necessary to support Amtrak's operations, would shift $659 million of Federal outlays to FY 1996 that would occur, under current law, in FY 1997 and FY 1998. This would unnecessarily increase Federal borrowing costs.

In addition, the Administration strongly opposes Senate passage of S. 1318 unless it is amended to:

Delete the provisions for a permanent authorization of appropriations for the Local Rail Freight Assistance Program (LRFAP), and modifications to the section 511 loan program. The President did not request, and Congress did not provide, any appropriations for LRFAP for the current fiscal year. The rail freight industry has clearly established its ability to operate without Federal subsidies or loans. Any future decisions to subsidize the rail freight industry should be made by local State governments in the context of their overall transportation planning, not by the Federal Government.

Delete the provision which would subordinate the Federal interest as a creditor in the event of a default under the section 511 loan program. Such provisions increase the risk, and therefore the ''subsidy rate,'' of loans guaranteed under this program, thereby reducing the number of loans which could be made with the resources available.

Mr. EXON. Mr. President, just briefly, what this amendment is is a proposition that we have been talking about for a long time, to provide some funding, badly needed funding, for the Amtrak system. The amendment speaks for itself. I simply ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I thank the Chair. I yield the floor.

How much time would the Senator from Washington like?

Mrs. MURRAY. Two minutes.

Mr. EXON. I yield 2 minutes to the Senator from Washington. Is this on an amendment or another subject?

Mrs. MURRAY. On an amendment.

Mr. EXON. On an amendment the time would be equally divided. I yield the Senator from Washington 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Let me just take this opportunity to also thank the ranking member of our Budget Committee, Senator EXON, for the excellent job he has done over the past several days managing the budget and being a spokesperson for all of us.

AMENDMENT NO. 3991

Mrs. MURRAY. Mr. President, I rise today to remind all of my colleagues that one of the most important amendments that we are considering tomorrow is the Kerry-Murray amendment that adds $56 billion to function 500. That is the function in the budget that covers education and the investment in our young people.

I wanted to rise today to ask unanimous consent to have printed in the RECORD articles from the Seattle PI that did a survey that shows the No. 1 issue in my home State is education. I believe this is replicated around the country. In fact, USA Today had a poll recently that said this is the No. 1 issue to voters.

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

[From the Seattle Post-Intelligencer, May 20, 1996]

DAILY WORRIES CONCERN VOTERS MOST, POLL SAYS

SCHOOLS, JOBS OVERSHADOW OTHER ISSUES

(By Neil Modie)

Meat-and-potatoes concerns—taxes, jobs and the economy—loom large in the minds of Washington voters as they look toward this fall's elections. As a single issue, however, education tops them all.

A new poll, the Mood of Washington, shows the electorate cares far less about the hot-potato issues—abortion, gun control, gay rights—that apparently heat up political party caucuses, TV screens and news pages more than they do the voting booths.

Most voters polled said they feel less safe than they did four years ago. They think the public school system is declining and feel they must struggle harder to maintain their standards of living.

When family and pocketbook issues preoccupy people, they show little interest in the hot-button topics, observed Bruce Pinkleton, a public opinion researcher at Washington State University.

''When people are concerned about job security and other, related issues, then some of the other (more emotional) issues become less central to their decision making,'' said Pinkleton; who conducted the poll along with Joey Reagan, a fellow researcher who also works at WSU.

Surveyors polled 556 of the state's registered voters between April 24–30 in a collaborative project by The Associated Press

and 12 state newspapers, including the Post-Intelligencer, the Olympian, the Tacoma News Tribune, the Herald in Everett and the Sun in Bremerton.

Worry about the state of public schools is widespread. Nearly six in 10 voters polled believe public education is worse than it was four years ago. And a slightly higher number agreed that the education in Washington is underfunded.

I think education should get a better slice of the budget pie and I would be willing to pay more taxes (to pay for it),'' Judith Jenkins Harlin, a poll respondent from Redmond, said in a interview. She is a homemaker, mother and school volunteer who has been trained as a teacher.

Cricket Hamilton, an Olympia search-and-rescue officer, also thinks schools are in trouble but is unwilling to pay more taxes to let educators spend more money.

''Definitely not,'' Hamilton said. ''reading, writing, and arithmetic has to be brought back, not pottery.''

Pinkleton, the researcher, observed: ''A lot of people feel that education is underfunded, a big majority, and yet people aren't terribly excited about paying more taxes, either. So we kind of want to have our cake and eat it, too.''

The poll didn't specifically ask voters whether they would be wiling to pay higher taxes to support education. But it did affirm Washingtonians' long-standing opposition to a state income tax.

Asked if they ''would support a state-income tax if state taxes would be cut in other areas,'' 56 percent said no. Barely more than one-third replied favorably. The rest had no opinion.

When asked how important they consider education in deciding which candidate to vote for, nearly nine voters in 10 ranked important by more than three-fourths of the votes. Then came welfare reform, the candidate's moral character, a candidate's ability to work with political opponents, the environment, and illegal immigration, in that order, with each rated important by more than half those polled.

At the bottom were gun control, important to barely half the voters; abortion, mentioned by two out of five, and gay rights, cited by just over one-fourth of those polled. The voters weren't asked on which side of those issues they stood.

When the voters were asked, without mention of any specific issue, to identify the most important concerns in this fall's gubernatorial election, education again was the most-often mentioned single concern, even above such perennial worries as the economy, taxes and crime.

However, although 125 voters named education, even more—191—said, ''I don't know.''

That surprised Pinkleton.

''Clearly, issues are still developing in the minds of the voters. . . . It's still fairly early (in the campaign season),'' the researcher observed.

After education, mention of other issues dropped off steeply. Ranked below education, in order of the number of times they were mentioned, were taxes, environment and conservation, crime and law enforcement state spending and the budget, the economy, health care and unemployment and jobs.

Other issues, including welfare reform, moral issues, gay rights and prayer ranked far lower. None of the 556 voters mentioned such volatile topics as abortion or gun rights.

The responses suggested that voters trust their state government more than they trust their fellow citizens.

Asked whether they agree that ''voters usually make informed voting decisions,'' only 43 percent did. But 53 percent said they trust state government to ''side with the public interest'' in deciding between public interest and special interests.

The poll showed plenty of worry across a range of social ills.

Asked whether they agreed with the broad statement that ''deteriorating social values are responsible for today's crime problem,'' nearly eight in 10 said they did.

One who emphatically agreed was Vern Dollar, 52, a Vancouver resident, who declared: ''Our social values have decreased. All the neighbors knew one another when we moved in here 28 years ago, and I don't know the new ones who move in. . . . There's an influx of California people and they aren't very sociable, Good neighbors help neighbors.''

Despite the worry about declining social values, one finding of the poll might surprise Washingtonians aware of the Pacific Northwest's long-held reputation—bemoaned by the Rev. Billy Graham, among others—as something of a religious wasteland.

Asked whether they agreed with the statement that ''religious values play a role in my everyday decisions,''nearly two voters out of three did agree.

Religion plays the strongest role in the lives of the oldest voters, with more than seven out of 10 of those age 62 and older saying it did. But nearly six in 10 voters in the least religious age group, those 18 to 39, said religious values were part of their lives.

Conservative voters were most apt to say religion is part of their lives, and the most liberal voters were the least likely.

The poll revealed deep concerns across a broad topical spectrum. For example:

CRIME

Nearly two out of three agreed they feel less safe then four years ago, and nearly four in five favor stronger penalties for criminals.

That tough stance applied to youthful criminals, too. Asked whether they agreed with the statement that ''criminals under 18 should be exempt from the death penalty,'' six in 10 disagreed. Even a majority of voters who identified themselves as politically ''liberal'' disagreed that criminals under 18 should be exempt. However, four-fifths of voters labeling themselves ''very liberal'' said criminals that young should be exempt.

Men were less in favor of exempting criminals from the death penalty than women were, with 72 percent of men opposing that exemption while only 53 percent of women did.

''Even the death penalty is kind of a joke; it takes years and years,'' remarked Trina Henifin, 22, a Bellingham resident who was polled. ''How did they (carry out the death penalty) way back before there was the appeals system? Do it right away like they did in the old days.''

Asked whether ''state government should spend more money building prisons,'' 57 percent disagreed.

ECONOMY AND JOBS

Nearly one in four of those surveyed said they were concerned about losing their jobs. The worry was highest among people with less than a high school degree.

A majority of voters disagreed with the statement that if they lost their jobs, it would be easy to find jobs with similar pay. The least educated were most likely to be pessimistic.

And more than three voters in four agreed with the statement that they have to work harder today to maintain their standard of living than they did four years ago.

''The cost of living is higher, the cost of gas, electricity has gone, up, food too,'' said Gerald Barnett, a Spokane-area machinist and father of two, who first registered to vote last year. ''I work overtime, and that helps, but the more you make, the more they take out in taxes.''

HEALTH AND WELFARE

Asked whether they agreed that limits should be imposed on the length of time welfare recipients can receive state assistance more than eight voters in 10 said they did. And three-fourths agreed that ''welfare recipients should be forced to work'' if they receive assistance.

Without being asked specifically whether state government should pay for health care, just under three-fourths of the voters agreed that ''state make sure that health care is available to everyone.''

ENVIRONMENT, PROPERTY RIGHTS AND OTHER ISSUES

Washingtonians were lukewarm about environmental issues in their responses to several queries on the subject.

A plurality, 48 percent, disagreed with a statement that ''protecting the environment is more important than protecting jobs''—a choice that most conservationists argue society needn't make—while just under one-third agreed. The rest didn't answer. And a majority of the voters disagreed with a statement that ''government agencies do an acceptable job of balancing land use with environmental protection.''

A plurality, 49 percent, agreed that ''public money should be used to pay people when the government restricts how they use their land,'' while 39 percent disagreed.

Only one-third of the voters agreed that the state is more racially divided than it was four years ago while nearly half disagreed. More nonwhites than whites—but still less than a majority—believe the state is more divided.

A clear majority of voters, 58 percent, said ''acceptance of homosexuals or bisexuals'' should be taught in the public schools.''

But support for the teaching of other values was much higher: more than nine voters in 10 favor teaching ''acceptance of people who hold different beliefs'' and teaching ''moral courage;'' nearly as many want ''responsibility to prevent unwanted pregnancy'' taught, and nearly three-fourths support teaching ''sexual abstinence outside marriage.''

Many voters seem to yearn for the values they grew up with, values they see as eroded today.

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[From the Seattle Post-Intelligencer, May 20, 1996]

EDUCATION RATED NO. 1 of All State Issues

(By Neil Modie)

The Mood of Washington poll confirms what the state's 1996 political candidates already seem well aware of: Voters are plenty worried about public education.

''There's just a whole different intensity about the issue this year,'' observed Terry Bergeson, executive director of the state Commission on Student Learning and a candidate for superintendent of public instruction.

So far in the still-early campaign for governor, most of the 10 major candidates—four Democrats and six Republicans—have been talking more about education than anything else, even such tried-and-true issues as the economy, taxes and crime.

That's logical, since public education, including colleges and universities, accounts for nearly 60 percent of the state general fund budget.

And candidates who survive the primary will be sharing the general election ballot with two controversial education-related initiatives dealing with school vouchers and charter schools.

Whatever the reasons, some of the candidates' and political parties' own polls are showing deep concern about the state's school system, more so than in past years.

In the Mood of Washington poll, 88 percent said education was important to them in deciding who to vote for, and four of every five in that group said it was ''very important.'' No other issue rated such a response in the survey.

''That's amazing. That's the highest I've ever seen'' in any poll, Bergeson said.

The poll was a collaborative project by The Associated Press and 12 state newspapers, including the Post-Intelligencer, the Olympian, the Tacoma News Tribune, the Herald in Everett and the Sun in Bremerton.

Nearly three in five voters polled said the quality of public education is worse today than it was four years ago. That view was strongest among the youngest and least educated voters—those in the 18-to-39 age group and with less than a high school education—as well as among the most politically conservative voters.

Slightly more than three out of five voters, and especially the youngest and the most politically liberal voters, said education is underfunded.

When voters were asked to name the most important issues in the gubernatorial election, education was mentioned most often—by a long shot.

Cheryl Causey, 49, a Mercer Island mother and a student in interior design, thinks schools have improved ''in the area of critical thinking skills rather than just role learning.''

But she is concerned about a lack of classroom discipline and ''a basic 'dumbing down' in some areas. I've read some of the textbooks used by my daughter and have found that some of the language used isn't very challenging. It plays down to a lesser intelligence and doesn't encourage the kids to really think and go beyond.''

Verna Kloehn, 73, a retired barber and Kennewick resident, thinks kids nowadays are ''damn dumb. They can't assimilate knowledge worth a darn.''

Voters' concerns about public schools had to do not only with the quality of education, but also crime and violence.

And that was a worry expressed not only in urban areas, but in smaller communities as well.

''We need more teachers, more guards,'' said Trina Henifin, 22, a Bellingham resident, ''I think it's terrible you have to have guards in schools, but you do.''

Bergeson, who directs a commission created to develop statewide academic standards, surmised that voters might think schools are worse than they were four years ago because ''people are seeing more in the news about violence in schools, about weapons.''

''It doesn't have so much to do with education'' as with safety, she said.

Bruce Pinkleton, one of two Washington State University researchers who conducted the Mood of Washington poll, suggested the concern about education might stem largely from the public's tendency ''to look to the educational system to rectify the ills of society.''

Judith Jenkins Harlin, a Redmond ''stay-at-home mom'' and school volunteer, agrees.

''I think public education has been asked to do too much, and public education doesn't turn anyone away,'' said Harlin, who is trained as a teacher. ''Teachers in public education are trying to be mother, father, social worker, teacher, legal enforcer—we are asking teachers to do too much.''

Mrs. MURRAY. I have taken the time over the last year to talk to hundreds of young people in my home State. I have talked to people, young students who are 4.0 students; I have talked to students in juvenile detention centers. The one thing they all say in common is they believe that in this country today, adults do not care about them.

Mr. President, we have an opportunity tomorrow to vote for the Kerry-Murray amendment to put dollars back into our education account and show our young people they are a priority to us. I can think of no better investment in this country to invest in the education and training of our young people.

I urge my colleagues to support that amendment. I remind my colleagues, this is a way we can make a difference for this country. I yield the floor.

Mr. EXON. I thank my friend from Washington for her kind remarks, and I thank her for the amendment she has just offered.

I yield 2 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, once again, regarding the record and this ruling, I turn to the CONGRESSIONAL RECORD, the House of Representatives, H11693, December 3, 1980. I quote Mr. Panetta:

> It obviously is the first time that the reconciliation process itself has been implemented under the Budget Act.

Further:

> No other chairman in the history of the Budget Committee has been able to say that reconciliation has been implemented and put into place. They have passed budget resolutions. We have passed continuing resolutions of one kind or another, but this is the first time that a chairman of the Budget Committee has implemented the reconciliation process.

I yield the floor.

Mr. HEFLIN. Mr. President, I wish to express my support for the President's fiscal year 1997 budget plan. There is no one here that wants a balanced budget more than I do. The largest obstacle to sustainable, long-term economic growth is our huge national debt. This is why I support the administration's budget. President Clinton is the first President in 17 years to submit a balanced budget using the Congressional Budget Office [CBO] figures, all while protecting Medicare, Medicaid, education, the environment, and cutting taxes for middle-class families.

There has been no President with a record of deficit reduction that compares to President Clinton's. Under the President's leadership the budget deficit has been cut more than in half. Four years ago, the Nation was faced with a budget deficit of $290 billion. The CBO is now predicting a budget deficit of only $144 billion for fiscal year 1996. Also, the total spending is lower as a share of the economy than in any year since 1979. This budget continues the highly successful deficit reduction of the President's 1993 economic plan and contains billions in entitlement savings and discretionary cuts.

The President's budget guarantees the life of the Medicare trust fund for a decade without cutting it $167 billion as the Republicans have proposed. The Republican plan reduces Medicare by $50 billion more than the President's balanced budget plan. The cuts to Medicare payments that the Republicans propose will result in cost-shifting, undermine quality, and threaten the financial viability of many rural and urban hospitals. On the other hand, the President's budget restores the pre-1980 law on part A home health benefits because home health care expenditures unrelated to hospital stays should not be financed by the part A trust fund. This helps extend the life of Medicare part A trust fund. In summary, the President's proposal reforms and modernizes the program, while providing more choices to beneficiaries.

While the President's budget has moderate cuts in Medicaid, the $72 billion reduction that the Republicans propose could be drastic. This $72 billion cut could total as much as $250 billion over 7 years if States spend only the minimum required to receive their full block grant allocations. Many middle-class families depend on the Medicaid guarantee to provide for the care of their parents. If States are forced to deny coverage or restrict benefits, this could adversely affect millions of Americans that depend on such help that the program provides. Another thing that concerns me about the Republican proposal is the insistency of the repeal of Federal enforcement of nursing home quality standards. These regulations are important to the families that have to make the tough decision to place a loved one in a nursing home. On the other hand, the President's budget provides the States with great flexibility in managing their programs while guaranteeing health care for millions of Americans.

In order to reach a balanced budget, we all know decisions must be made in an effort to eliminate costs; however, these decisions must be carefully examined. This is particularly true when proposed cuts affect the educational system of our country. The Republicans want to use extreme cuts in education to balance the budget, when the President's plan shows that they are not necessary. The Republican resolution cuts education and training by $26 billion compared to 1995. The Republican plan also provides $60 billion less for education and training than the President's budget over the next 6 years. The future of our Nation depends greatly on the education that is provided to our children and the training that is available to our work force. The President's budget provides both the funding and policies needed to meet these challenges.

The President's budget also provides tax relief for the middle-class working families of America, making it easier for them to pay for education and save for retirement. The President proposes a tax credit for dependent children, a

benefit that would affect 19 million families, expanded individual retirement accounts [IRA's] to provided greater incentives for savings for retirement, and an education and job training tax deduction that would allow taxpayers to deduct up to $10,000 a year for qualified education and training expenses. The President also proposes other tax relief aimed at small businesses, such as increased expensing, estate tax benefits for closely held businesses, pension simplification, and increased health insurance deductions for the self-employed. The President's budget offsets this much needed tax relief by eliminating or reducing corporate tax loopholes and preferences that are no longer warranted.

Mr. President, I support the President's budget because this budget has a plan for balancing the budget while protecting Medicare, Medicaid, and education, along with providing a modest tax cut for middle-class Americans.

REGARDING AHCPR

Mr. FRIST. Mr. President, I would like to engage in a brief colloquy with the distinguished chairman of the Budget Committee to discuss an assumption that appears on page 52 of our report and clarify the committee's assumptions regarding the discretionary health programs contained in function 550. The language suggests that the committee is assuming a significant reduction in the budget of the Agency for Health Care Policy and Research [AHCPR]. I expressed my concerns regarding this matter during the committee's markup of the resolution.

Mr. President, I feel strongly about this Agency's mission for two reasons. First, as I pointed out during our markup, I believe that the Agency for Health Care Policy and Research has gone a long way toward reforming itself and has been responsive to the constructive criticism it received from Congress over the past year. For example, last year there was debate regarding the wisdom of AHCPR continuing to develop clinical practice guidelines now that so many medical societies, health plans, and others have begun to develop their own guidelines. AHCPR took this criticism seriously, engaged in a dialog with the health care community, and announced last month that it would no longer directly support the development of clinical practice guidelines. Instead, the Agency will work in partnership with the health care community by meeting their needs for an assessment of the scientific evidence in clinical areas for which these physicians and health plans—not AHCPR—want to develop guidelines or other quality improvement strategies. This partnership approach is a winner for all: AHCPR will concentrate on its strengths, developing and assessing science, and physicians and health plans will have the information they need to develop better, evidence-based guidelines without the implication that the Federal Government is telling them how to practice medicine.

Similarly, last year there were concerns about the multitude of overlapping data collection activities within the Department of Health and Human Services [HIS]. Despite the fact that the AHCPR has only a small, but important, role in the area of data collection, the Agency took the lead in proposing a major restructuring of its medical expenditure survey to eliminate areas of duplication with other HHS surveys.

In both cases, AHCPR has been willing to take a fresh look at its activities and critically examine its role in relationship to the private sector and other Federal agencies. We should applaud this type of initiative and responsiveness, not cripple it.

More importantly, Mr. President, I am concerned bout the potential impact on the clinical and health services research that AHCPR supports. Its mission in this area is critical to the future of our fast-changing health care system and to our efforts to restructure the Medicare program, while ensuring high quality of care. This Agency provides an important compliment to the work of the National Institutes of Health through its research on the outcomes, effectiveness, and cost-effectiveness of health care services in day-to-day practice. In the last 2 years, this Agency has come to realize its role as a science partner with the health care community and, as a result, AHCPR's work has been endorsed by every major medical, nursing, and health care organization, from the American Medical Association to the managed care industry. And from personal experience, in my work on the Medicare Program, I can testify that there are few issues on which such disparate organizations agree. AHCPR's scientific work provides clinicians and patients with the tools they need to work together to improve the quality of health care while constraining its cost.

Mr. President, at this point I would like to yield to the distinguished Chairman and ask him whether he agrees with my interpretation of our budget assumptions and my conclusion that this budget resolution assumes no reduction in funding for the critical work of the Agency for Health Care Policy and Research.

Mr. DOMENICI. I want to thank Senator FRIST for his continued efforts in this critical policy area. The Chairman's mark of the budget resolution did assume a reduction in funding for the Agency for Health Care Policy Research [AHCPR]. Funding for AHCPR was assumed to be reduced to $46 million per year, beginning in 1997. Since then, I have worked with Senator FRIST to find alternate assumptions to meet our discretionary spending targets within function 550. The resolution now assumes that funding for AHCPR will not be reduced.

Mr. CRAIG. Mr. President, I rise in support of Senate Concurrent Resolution 57, the balanced budget resolution for fiscal year 1997. I commend the hard work by the Budget Committee to bring to this floor, one more time, what the American people—and the people of Idaho—have demanded: A genuine, convincing plan to balance the Federal budget by fiscal year 2002.

This balanced budget resolution is consistent, in its principles and its details, with what I believe most citizens in Idaho want.

Like most Idahoans, I would prefer to go farther, faster. But I also recognize how far we have come in just a year and a half. In the last Congress, dominated by the President's party, we were told that $200 billion a year in deficit spending, as far as the eye could see, was the best we could do.

This budget resolution does not represent politics as usual. It looks to a brighter future of more jobs, more affordable educations, a more secure Medicare system, and real welfare reform—all within a balanced budget.

CONDUCTING THE BALANCED BUDGET GAME IN IDAHO

Mr. President, to focus in some depth on the budget priorities of Idahoans, last month, my office held a series of meetings in five locations in Idaho. We invited folks to participate in an exercise in hard choices—or, what I call the balanced budget game.

We held these in Idaho Falls, Pocatello, Twin Falls, Nampa, and Boise.

This exercise has been developed and updated regularly by the nonpartisan, nonprofit educational organization, the Committee for a Responsible Federal Budget.

In this exercise, citizens get the chance to be a Senator for a day—meeting in small groups that work much like the Senate Budget Committee during the markup of the budget resolution and walking through a 180-page workbook resembling a Budget Committee markup book.

Across the State, participants were grouped into 32 groups, or budget committees, with between 4 and 10 members each.

I've used this exercise and similar ones in the past to poll the opinions of Idahoans on budget priorities and I've told Idahoans that I would again use their responses in this exercise to fight for Idaho values in the Federal budget.

I have been reviewing in detail the individual results from each of the five cities where we held the exercise, and I am struck by the highlights that have emerged. I would like to summarize those briefly here. My office is preparing a complete analysis to send to the Idaho citizens who participated in those five cities.

IDAHO'S PRIORITY: BALANCE THE BUDGET AND SPEND LESS

This is the result that stands out: Idahoans are demanding that we balance the budget. By far, most of the Idaho groups were willing to exercise more restraint, and balance the budget faster, than most Members of Congress or the President.

In 31 out of 32 groups, Idahoans were able to agree on enough deficit reduction to balance the budget by fiscal year 2002.

This is true—31 out of 32 balanced the budget—whether you compare their results against the baseline for fiscal year 1997 or the less optimistic baseline of fiscal year 1996, which is the one that was still used in the Exercise workbook.

Thirty-one out of 32 groups saved more in spending than any budget before the Congress this year—more than the Budget Committee budget, more than the Chafee-Breaux substitute, and certainly more than the President's budget.

In fact, 31 out of 32 groups reduced spending growth more over 5 years than any Washington, DC, proposal would save over 6 years.

On average, participants in the five Idaho cities called for the following levels of policy changes in spending programs, over 5 years:

	[In billions]
Idaho Falls	$679
Pocatello	662
Twin Falls	656
Nampa	637
Boise	671
Average for all 5 cities	661

This compares with $428 billion in spending policy changes in this year's committee-reported budget, and only $274 billion in the President's budget.

DISCRETIONARY SPENDING

In the Idaho exercises, the five-city average for defense was to find $16 billion in savings over 5 years. Eight of the 32 groups voted for a $38-billion increase. These results seem to reflect the general consensus in Idaho, the Nation, and even in Washington, DC, that defense spending should not be changed greatly, in this changing and uncertain world.

All 32 groups reduced domestic discretionary spending more than any budget now being debated on the Senate floor. Of course, they came closest to the Budget Committee's budget.

In international affairs, the average 5-year savings from the Idaho groups was $15 billion, compared with $12 billion in savings in the Committee-reported budget, and with a slight increase in the President's budget.

ENTITLEMENT SPENDING

Thirty out of 32 groups would reduce total entitlement spending more than any proposal now before the Senate.

I think that result says something to those who accuse the committee-reported budget, as well as last year's Balanced Budget Act, of making draconian cuts in spending.

With great uniformity, Idaho participants supported an average of $50 billion in housing and welfare reforms over 5 years, which is more than the President's 6-year proposal—$38 billion—and almost exactly the same as the Budget Committee's 6-year figure—$54 billion. This says to me that the Senate is on track in this area.

Thirty-one of the 32 groups produced more direct savings in Medicare over 5 years than the Budget Committee budget over 5 years or the President's budget over the next 6 years. The average 5-year savings, with little variation from town to town, were $135 billion, compared with $115 billion over 5 years in the Budget Committee budget.

In addition, 28 out of 32 groups chose one or more ways to means-test entitlement benefits, including 23 groups that chose an across-the-board approach that would result in additional Medicare savings, and 2 more that voted for means-testing Medicare, specifically.

It bears repeating: Any savings from Medicare reforms will be used—by law, they must be used—to shore up a Medicare system that is now losing money. We want Medicare to be there for those who need it. It won't be there—it will be broke—in just 5 years, unless we begin reforms today. The Budget Committee budget doesn't cut Medicare. It will provide more choice and more secure benefits in an improved system.

REVENUES

With regard to taxes, I was somewhat surprised at first, but the specific options selected and the comments of a number of the participants shed some light.

A number of folks complained about static score-keeping that did not recognize that some tax cuts lead to economic activity and more tax revenues. I agree with them. But the exercise workbook estimates were based on Congressional Budget Office estimates. In both cases, the budget committees—here and in Idaho—agreed to be bound by an ''outside'' referee.

A number of folks complained that they wanted to vote for tax relief, but ran out of time, because that was the last section in the workbook. In this exercise, unlike here in Washington, DC, budget-writers did not have the luxury of ignoring the deadline to finish their work.

A number said that, while they could write a budget that got to balance faster with some revenue increases, they didn't trust that Washington, DC, would use tax increases to reduce the deficit.

And finally, support for any revenue increases was extremely scattered among a wide variety of options, with the broadest consensus on alcohol and/or tobacco excise taxes, occurring in only 13 of 32 groups.

Overall, 9 groups voted for some tax relief. Twelve groups did not vote for any tax increase, and another 6 supported very small packages less than $41 billion over 5 years, a magnitude similar to the extensions and loophole-closings that have been discussed in Congress. The median group raised revenues by only $34 billion.

CONCLUSION

Mr. President, the exercise in hard choices has been an excellent educational tool for the public, very informative for Members of Congress—certainly including this Senator, and actually very enjoyable to participate in.

I believe most everyone who attended had a positive experience. Some folks wished they could have had more time and more options. But there was understanding that the exercise was written with a limited number of options, out of consideration for the participants—all of whom gave up an entire morning, afternoon, or evening to provide me with their views.

I appreciate all the advice and help my staff and I have received from the Committee for a Responsible Budget in conducting this exercise in Idaho, especially from Carol Cox Wait, the committee's president, and Susan Tanaka, vice president.

Most of our colleagues will recognize the committee's name and work. Its board of directors includes many former Members of this and the other body, including several chairmen and ranking minority members of the Budget Committees, as well as distinguished former public officials like Paul Volcker of the Federal Reserve Board, Elmer Staats of the General Accounting Office, and Rudolph Penner and Robert Reischauer of the Congressional Budget Office.

The exercise workbook used by the Idaho participants was prepared for fiscal year 1996, because most of the 1997 budget work had not yet begun in Washington, DC, and 1997 workbooks were not yet available. But with the exception of some changes in economic and baseline assumptions, we know all too well that the 1997 budget debate is really just a continuation of the 1996 process.

Mr. HEFLIN. Mr. President, these budget proposals now being negotiated will directly affect virtually every segment of the Government and every citizen of this country.

I am strongly in support of deficit reduction and favor the elimination of the national debt over a period of time. I have long supported a balanced budget amendment to the Constitution. I supported the 1993 reconciliation bill which has already led to significant reduction in our annual deficits. However, there is a right and wrong way to pursue the same goal.

There are proposals to adjust the Consumer Pricing Index [CPI] in an attempt to correct biases in its computation. This plan is to reduce the CPI by one-half of a percentage point. I feel that this is nothing more than masquerading an attempt to cut Social Security benefits and raise taxes.

As we all know, the CPI has a major effect on Federal outlays, revenue, and the budget deficit. Outlays are affected because programs such as civil service retirement pay and Social Security benefits are adjusted so that the purchasing power of those payments will be preserved. Revenues are affected because taxes are adjusted so that increases in income are taxed at a higher

rate only if the increase exceeds inflation. Due to the significant relationship between the CPI and the budget, there has been much attention on how to contribute to the reduction of the deficit with the adjustment of the CPI.

Before we attempt to adjust the CPI, we should realize the enormous effect it will have on the senior citizens of our country. Coupled with the proposed cuts in Medicare and Medicaid, an arbitrary reduction of the CPI, which leads to a decrease in the Social Security cost-of-living adjustments [COLA's], would take a great financial toll on the elderly. Social Security recipients rely on annual COLA's to ensure that their purchasing power is not eroded by inflation. Just a small percentage reduction in the CPI can cause a substantial loss of benefits over time. Due to the compounding effect, the older one gets, the more money the beneficiary would lose. Economists have stated that the cost of living for the elderly has risen faster than other age groups. This is due to the rapid rise in health care services. It is believed that the current CPI actually understates the rate of inflation because the elderly spend such a large portion of their income on health care.

In 1987, Congress called for a study to develop an experimental index for consumers over the age of 62. This study revealed that indeed the index for this group was understated and concluded that this was due to the medical care component. This analysis was undertaken by the U.S. Bureau of Labor Statistics [BLS], the organization that computes the CPI.

Moreover, now is not the time to adjust the CPI knowing that the BLS has announced, as part of a continuing effort to update and improve the CPI, that it will be changing the way the CPI is calculated. This is estimated to reduce the CPI by approximately .3 percentage points. We should allow the experts at BLS to engage in a thorough analysis without Congress interfering.

Mr. President, as one economist stated, this is merely ''an attempt to raise taxes invisibly, and lower Social Security invisibly, while appearing only to be scientifically correct in adjusting a bias.'' Finally, using funds generated by reducing Social Security COLA's to diminish the deficit is a misuse of Social Security trust funds.

Mr. EXON. I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, how much time remains on the resolution?

The PRESIDING OFFICER. The Senator from New Mexico has 14 minutes and the Senator from Nebraska does as well.

Mr. DOMENICI. Would you tell me again, Mr. President?

The PRESIDING OFFICER. The Senator from Nebraska has 14 minutes and the Senator from New Mexico has 14 minutes.

Mr. DOMENICI. You must be doing something with this time, Mr. Parliamentarian. How does this happen? No matter what each side does, we have 14 minutes each. You must be right on the ball.

Mr. EXON. We control only the timekeeper.

Mr. DOMENICI. Mr. President, I have a conference report from 1975, a budget resolution, just as a matter of information with reference to various items that have been discussed today of a parliamentary nature. I ask unanimous consent that the conference report be printed in the RECORD.

There being objection, the material was ordered to be printed in the RECORD, as follows:

SECOND CONCURRENT RESOLUTION ON THE BUDGET FISCAL YEAR 1976

Mr. MUSKIE, from the committee of conference, submitted the following conference report to accompany H. Con. Res. 466:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) The appropriate level of total budget outlays is $374,900,000,000;

(2) The appropriate level of total new budget authority is $408,000,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $74,100,000,000;

(4) The recommended level of Federal revenues is $300,800,000,000, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6,400,000,000; and

(5) The appropriate level of the public debt is $622,600,000,000.

SEC. 2. The Congress hereby determines and declares, in the manner provided in section 301(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

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 amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Second Concurrent Resolution on the Budget

Outlays

The House resolution provided for total outlays in the amount of $373.891 billion. The Senate amendment provided for total outlays in the amount of $375.6 billion.

The conference report provides for total outlays in the amount of $374.9 billion. Estimates of outlays by functional category of the budget is set forth below.

Budget Authority

The House resolution provided for total new budget authority in the amount of $408.004 billion. The Senate amendment provided for total new budget authority in the amount of $406.2 billion.

The conference report provides for total new budget authority in the amount of $408.0 billion. Estimates of new budget authority by functional category of the budget is set forth below.

Deficit

The house resolution provided for a budget deficit in the amount of $72.091 billion. The Senate amendment provided for a deficit in the amount of $74.8 billion. The conference report provides for a deficit of $74.1 billion.

Revenues

The House resolution provided for Federal revenues in the amount of $301.8 billion; and to achieve that level, it directed the House Ways and Means and Senate Finance Committees to reduce revenues by $5.4 billion. The Senate amendment provided for revenues in the amount of $300.8 billion; and to achieve that level it directed the Ways and Means and Finance Committees to reduce revenues by $6.4 billion.

The conference report provides for revenues in the amount of $300.8 billion; and directs the Ways and means and Finance Committees to reduce revenues by $6.4 billion. The $6.4 billion reduction of revenues is necessary to maintain the personal income tax withholding rate and extend the temporary corporate tax reductions in the 1975 Tax Reduction Act.

The managers accept the Senate position that it is unrealistic to expect this required reduction in revenues to be partially offset by $1.0 billion to be received through tax reform during the remiander of Fiscal year 1976, as contemplated in the house resolution.

Mr. DOMENICI. Mr. President, I want to say to the Senators—Senator EXON just reminded me—that there will be no votes tonight. We had not planned on any votes during the day, and nothing has changed. So when we finish here in about 20 minutes we will be finished, and we will start at 9 o'clock in the morning. We have been authorized to call the Senate into session, and we will immediately start with the amendments, establishing some order this evening. Staff on both sides will work on that. Remember that the amendments then will be voted on one after another. Maybe we will have a little recess at some point. There will be 10-minute rollcall votes. If last year is any indication of how much time it will take, we will be voting from 9 o'clock to well into the night.

I am very hopeful that we can accept some of these amendments. I am even toying with the idea—I do not know

what the Senator would think about this—if we might put all of those amendments that are sense of the Senate and just accept them all. What does the Senator think about that? We would not have any votes. We would take them all. Who knows what will happen to them?

Mr. EXON. We would want to review them. But that is an interesting proposal. Could I suggest one other thing that we might consider? We do not have to decide on that tonight. But I would like to suggest since we are going to have, once again, an awful lot of votes, would there be any likelihood that we may cut the votes down to say 7½ minutes to move things along in a more expeditious fashion, because we I think would agree tonight that we would probably have 1 minute each for explanation of each amendment.

Mr. DOMENICI. I think we may be closer to 1 minute equally divided—30 seconds each. But essentially last time we had this rather prolonged series of votes we tried to get it down to the minimum amount that would be required for the rollcall and other things, and I believe I heard Senator DOLE ask and they said they could not get it down to much under 8 minutes.

Mr. EXON. My only thought with that is that might be the case. The only trouble with 10 minutes, then it becomes 12 minutes. It is like speeders on the highway. But I am just making a suggestion to try to expedite things for the good of the body as a whole. We can discuss that later.

AMENDMENT NO. 4026

(Purpose: To express the sense of the Senate that the Economic Development Administration should place high priority on maintaining field-based economic development representatives)

Mr. DOMENICI. Now, Mr. President, I send an amendment to the desk in behalf of Senators BINGAMAN, SNOWE, COHEN, and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Ms. SNOWE, Mr. COHEN, and Mr. DOMENICI, proposes an amendment numbered 4026.

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

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

The amendment is as follows:

At the end of title III, add the following:

SEC . SENSE OF THE SENATE REGARDING THE ECONOMIC DEVELOPMENT ADMINISTRATION PLACING HIGH PRIORITY ON MAINTAINING FIELD-BASED ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Economic Development Administration plays a crucial role in helping economically disadvantaged regions of the United States develop infrastructure that supports and promotes greater economic activity and growth, particularly in nonurban regions.

(2) The Economic Development Administration helps to promote industrial park development, business incubators, water and sewer system improvements, vocational and technical training facilities, tourism development strategies, technical assistance and capacity building for local governments, economic adjustment strategies, revolving loan funds, and other projects which the private sector has not generated or will not generate without some assistance from the Government through the Economic Development Administration.

(3) The Economic Development Administration maintains 6 regional offices which oversee staff that are designated field-based representatives of the Economic Development Administration, and these field-based representatives provide valuable expertise and counseling on economic planning and development to nonurban communities.

(4) The Economic Development Administration Regional Centers are located in the urban areas of Austin, Seattle, Denver, Atlanta, Philadelphia, and Chicago.

(5) Because of a 37-percent reduction in approved funding for salaries and expenses from fiscal year 1995, the Economic Development Administration has initiated staff reductions requiring the elimination of 8 field-based positions. The field-based economic development representative positions that are either being eliminated or not replaced after voluntary retirement and which currently interact with nonurban communities on economic development efforts cover the States of New Mexico, Arizona, Nevada, North Dakota, Oklahoma, Illinois, Indiana, Maine, Connecticut, Rhode Island, and North Carolina.

(6) These staff cutbacks will adversely affect States with very low per-capita personal income, including New Mexico which ranks 47th in the Nation in per-capita personal income, Oklahoma ranking 46th, North Dakota ranking 42nd, Arizona ranking 35th, Maine ranking 34th, and North Carolina ranking 33rd.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and reconciliations instructions underlying this budget resolution assume that—

(1) it is regrettable that the Economic Development Administration has elected to reduce field-based economic development representatives who are fulfilling the Economic Development Administration's mission of interacting with and counseling nonurban communities in economically disadvantaged regions of the United States;

(2) the Economic Development Administration should take all necessary and appropriate actions to ensure that field-based economic development representation receives high priority; and

(3) the Economic Development Administration should reconsider the planned termination of field-based economic development representatives responsible for States that are economically disadvantaged, and that this reconsideration take place without delay.

Mr. DOMENICI. That amendment will take its place.

The Senator is willing to accept it. We have no objection to the amendment, and I yield back all time on the amendment.

Mr. EXON. We agree on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4026) was agreed to.

AMENDMENT NO. 4002, AS MODIFIED

Mr. DOMENICI. Senator LOTT has asked that I submit an amendment to the desk with reference to Iraq oil and the amendment that heretofore had been offered.

I send it to the desk. It is a modification of his previous amendment.

I ask unanimous consent that it be in order for Senator LOTT to modify the previous amendment.

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

The amendment (No. 4002), as modified, is as follows:

At the end of title III, add the following new section:

SEC. . SENSE OF CONGRESS ON REIMBURSEMENT OF THE UNITED STATES FOR OPERATIONS SOUTHERN WATCH AND PROVIDE COMFORT.

(a) FINDINGS.—The Congress finds that—

(1) as of May 1996, the United States has spent $2,937,000,000 of United States taxpayer funds since the conclusion of the Gulf War in 1991 for the singular purpose of protecting the Kurdish and Sunni population from Iraqi aggression;

(2) the President's defense budget request for 1997 includes an additional $590,100,000 for Operations Southern Watch and Provide Comfort, both of which are designed to restrict Iraqi military aggression against the Kurdish and Sunni people of Iraq;

(3) costs for these military operations constitute part of the continued budget deficit of the United States; and

(4) United Nations Security Council Resolution 986 (1995) (referred to as ''SCR 986'') would allow Iraq to sell up to $1,000,000,000 in petroleum and petroleum products every 90 days, for an initial period of 180 days.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution assume that—

(1) the President should instruct the United States Permanent Representative to the United Nations to ensure any subsequent extension of authority beyond the 180 days originally provided by SCR 986, specifically mandates and authorizes the reimbursement of the United States for costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum or petroleum-related products originating from Iraq;

(2) in the event that the United States Permanent Representative to the United Nations fails to modify the terms of any subsequent resolution extending the authority granted by SCR 986 as called for in paragraph (1), the President should reject any United Nations' action or resolution seeking to extend the terms of the oil sale beyond the 180 days authorized by SCR 986;

(3) the President should take the necessary steps to ensure that—

(A) any effort by the United Nations to temporarily lift the trade embargo for humanitarian purposes, specifically the sale of petroleum or petroleum products, restricts all revenues from much sale from being diverted to benefit the Iraqi military; and

(B) the temporary lifting of the trade embargo does not encourage other countries to take steps to begin promoting commercial relations with the Iraqi military in expectation that sanctions will be permanently lifted; and

(4) revenues reimbursed to the United States from the oil sale authorized by SCR 986, or any subsequent action or resolution, should be used to reduce the Federal budget deficit.

Mr. LOTT. Mr. President, on Friday, May 17, 1996, I proposed a sense-of-Senate resolution that urged the President

of the United States to ensure that American taxpayers' interests are protected by rejecting any Iraq-United Nations oil sale agreement which does not reimburse the United States for the costs of Operations Southern Watch and Provide Comfort.

To review the background leading to this amendment, several days prior to the cease-fire ending Operation Desert Storm, Iraq initiated military action against the Kurdish people in northern Iraq and the Sunni Moslems in southern Iraq. On April 5, 1991, 2 days prior to concluding the cease-fire agreement, the United Nations passed Security Council Resolutions No. 687 and 688, condemning Iraq for its repressive actions against the Kurds and Sunnis.

The Secretary General of the United States Nations then enlisted the support of the United States to engage in military operations to protect these Iraqi civilian populations against Saddam Hussein's aggression. In addition to the 15 American and 11 foreign national lives lost, the United States has spend $2.9 billion to conduct these military operations known as Provide Comfort and Southern Watch. But the cost continues to go up. The President's 1997 defense budget request includes an additional $590.1 million to continue these military operations.

On April 14, 1995, the United Nations adopted another Security Council resolution, No. 986. This resolution provides Iraq the opportunity to sell as much as $2 billion in oil and oil-related products every 6 months for the purpose of providing food and medical relief to the people of Iraq.

Yesterday, Iraq accepted the U.N. offer to sell limited supplies of oil to buy food and medicine for its people. Iraq oil could begin to flow with 30 to 60 days while American tax dollars continue to be spent to prevent Suddam's aggression against the Kurds and Sunnis. I think this is wrong.

The amendment that I offered last Friday, and have had to modify slightly because Iraq agreed to the U.N. offer, does not prevent the sale of oil or prevent efforts to relieve the humanitarian problems of Iraq. It simply states that if Iraq is going to be allowed to sell oil then the United States should recover the money our taxpayers are spending for the ultimate humanitarian assistance: military protection. Under this resolution the United Nations is recovering their costs for providing humanitarian relief. So why not recover the American taxpayers' expense for preventing Suddam's aggression?

Because the oil deal was accepted by Iraq yesterday, I have modified the amendment to state that in any subsequent extension of authority beyond the 180 days originally provided by Security Council Resolution 986, the Untied States should be reimbursed for the costs associated with Operations Southern Watch and Provide Comfort. I think the American taxpayer is entitled to some recovery from these oil sales to help offset the costs of doing what is right and doing it in conjunction with the United Nations.

Mr. President, I urge at the appropriate time that this amendment be adopted. It is a sense-of-the-Senate resolution, and I think that the American people would want us to ensure that they are reimbursed for their costs associated with Operations Southern Watch and Provide Comfort.

AMENDMENT NO. 4027 TO AMENDMENT NO. 4012

(Purpose: To adjust the fiscal year 1997 nondefense discretaionary allocation to the Appropriations Committee by $5 billion in budget authority and $4 billion in outlays to sustain 1996 post-OCRA policy)

Mr. DOMENICI. Mr. President, there is pending an amendment No. 4012 offered by Senators HARKIN and SPECTER. It is obvious that when we close up the Senate here in a few minutes and yield back the remaining time—and there is not much time remaining—there will be no further amendments that will be allowed. It means that if the Senator from New Mexico or anyone else has a second-degree amendment to any of the myriad of amendments we have in the long list, including the Harkin-Specter amendment, they would be able to offer a second-degree amendment.

And because I have an amendment, a second-degree amendment to the Harkin-Specter amendment which I want the Senate to know about, I ask unanimous consent that it be in order for me to offer the second-degree amendment tonight and get it in the RECORD with a statement. I do not think I am denying anybody anything by doing that because in just a few moments this will have ripened into a situation where when that amendment comes up, I could second degree it. So since that is the case, I ask unanimous consent that it be in order for the Senator from New Mexico to offer a second-degree amendment to the Harkin amendment.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the second-degree amendment.

Mr. DOMENICI. I send the amendment to the desk.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 4027 to amendment No. 4012.

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

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

The amendment is as follows:

At the appropriate places in the Harkin amendment, make the following changes:

On page 25, line 17, increase the amount by $0.

On page 25, line 18, increase the amount by $0.

On page 27, line 16, increase the amount by $300,000,000.

On page 27, line 17, increase the amount by $600,000,000.

On page 42, line 2, decrease the amount by $1,800,000,000.

On page 42, line 3, increase the amount by $700,000,000.

On page 52, line 11, decrease the amount by $0.

On page 52, line 12, decrease the amount by $0.

On page 52, line 14, increase the amount by $5,000,000,000.

On page 52, line 15, increase the amount by $1,400,000,000.

Notwithstanding any other provision of this resolution, on page 52, line 15, the amount is deemed to be $270,923,000,000.

On page 4, line 8, the amount is deemed to be $1,323,100,000,000.

On page 4, line 9, the amount is deemed to be $1,361,600,000,000.

On page 4, line 10, the amount is deemed to be $1,392,400,000,000.

On page 4, line 11, the amount is deemed to be $1,433,600,000,000.

On page 4, line 12, the amount is deemed to be $1,454,000,000,000.

On page 4, line 17, the amount is deemed to be $1,318,600,000,000.

On page 4, line 18, the amount is deemed to be $1,353,500,000,000.

On page 4, line 19, the amount is deemed to be $1,382,400,000,000.

On page 4, line 20, the amount is deemed to be $1,415,600,000.

On page 4, line 21, the amount is deemed to be $1,433,100,000,000.

On page 5, line 1, the amount is deemed to be $232,400,000,000.

On page 5, line 2, the amount is deemed to be $223,600,000,000.

On page 5, line 3, the amount is deemed to be $206,300,000,000.

On page 5, line 4, the amount is deemed to be $185,700,000,000.

On page 5, line 5, the amount is deemed to be $143,500,000,000.

On page 5, line 9, the amount is deemed to be $5,449,000,000,000.

On page 5, line 10, the amount is deemed to be $5,722,700,000,000.

On page 5, line 11, the amount is deemed to be $5,975,100,000,000.

On page 5, line 12, the amount is deemed to be $6,207,700,000,000.

On page 5, line 13, the amount is deemed to be $6,398,600,000,000.

On page 5, line 14, the amount is deemed to be $6,550,500,000,000.

On page 6, line 13, the amount is deemed to be $290,000,000,000.

On page 6, line 14, the amount is deemed to be $277,400,000,000.

On page 6, line 15, the amount is deemed to be $256,000,000,000.

On page 6, line 16, the amount is deemed to be $236,100,000,000.

On page 6, line 17, the amount is deemed to be $193,300,000,000.

On page 6, line 18, the amount is deemed to be $155,400,000,000.

On page 9, line 22, the amount is deemed to be $14,900,000,000.

On page 11, line 22, the amount is deemed to be $16,700,000.

On page 11, line 23, the amount is deemed to be $16,800,000,000.

On page 13, line 17, the amount is deemed to be $3,700,000,000.

On page 13, line 18, the amount is deemed to be $3,100,000,000.

On page 15, line 17, the amount is deemed to be $21,500,000.

On page 17, line 16, the amount is deemed to be $12,800,000,000.

On page 17, line 17, the amount is deemed to be $11,000,000,000.

On page 19, line 16, the amount is deemed to be $8,100,000,000.

On page 19, line 17, the amount is deemed to be −$2,400,000,000.

On page 21, line 16, the amount is deemed to be $42,600,000,000.

On page 21, line 17, the amount is deemed to be $39,300,000,000.
On page 23, line 15, the amount is deemed to be $9,900,000,000.
On page 23, line 16, the amount is deemed to be $10,800,000,000.
On page 29, line 10, the amount is deemed to be $193,200,000,000.
On page 29, line 11, the amount is deemed to be $191,500,000,000.
On page 31, line 3, the amount is deemed to be $232,400,000,000.
On page 31, line 4, the amount is deemed to be $240,300,000,000.
On page 38, line 8, the amount is deemed to be $13,700,000,000.
On page 39, line 25, the amount is deemed to be $282,800,000,000.
On page 40, line 1, the amount is deemed to be $282,800,000,000.
On page 40, line 7, the amount is deemed to be $289,400,000,000.
On page 40, line 8, the amount is deemed to be $289,400,000,000.
On page 40, line 14, the amount is deemed to be $293,200,000,000.
On page 40, line 15, the amount is deemed to be $293,200,000,000.
On page 40, line 21, the amount is deemed to be $294,700,000,000.
On page 40, line 22, the amount is deemed to be $294,700,000,000.
On page 41, line 3, the amount is deemed to be $298,900,000,000.
On page 41, line 4, the amount is deemed to be $298,900,000,000.
On page 41, line 10, the amount is deemed to be $303,400,000,000.
On page 41, line 11, the amount is deemed to be $303,400,000,000.
On page 41, line 17, the amount is deemed to be $348,234,000,000.
On page 41, line 18, the amount is deemed to be $351,240,000,000.
On page 41, line 19, the amount is deemed to be $348,465,000,000.
On page 41, line 20, the amount is deemed to be $349,951,000,000.
On page 41, line 21, the amount is deemed to be $351,311,000,000.
On page 41, line 22, the amount is deemed to be $352,756,000,000.
On page 42, line 8, the amount is deemed to be −$200,000,000.
On page 42, line 9, the amount is deemed to be $100,000,000.
On page 42, line 15, the amount is deemed to be −$400,000,000.
On page 42, line 16, the amount is deemed to be −$300,000,000.
On page 42, line 22, the amount is deemed to be −$800,000,000.
On page 42, line 23, the amount is deemed to be −$800,000,000.
On page 43, line 5, the amount is deemed to be −$1,200,000,000.
On page 43, line 6, the amount is deemed to be −$1,100,000,000.
On page 43, line 12, the amount is deemed to be −$3,700,000,000.
On page 43, line 13, the amount is deemed to be −$3,700,000,000.

Mr. DOMENICI. This amendment is essentially across the appropriations spectrum, that is, across all of the bills, adds $5 billion in budget authority and $4 billion in outlays for nondefense discretionary programs for the year 1997.

Mr. President, the Specter-Harkin amendment would provide $2.7 billion for the education and training and health functions using an across-the-board reduction to agency administrative budgets—both defense and nondefense—including travel and contractual obligations—to offset this additional spending.

The amendment adds back the full $2.7 billion in both budget authority and outlays for spending to these budget functions and adjusts the discretionary spending caps to reduce the defense cap and increase the nondefense cap.

I am offering a second degree amendment because I believe this amendment gets us into trouble.

By adding these funds only to education and training and health, other subcommittees will be left making difficult spending choices, endanger other priority programs, and even head toward confrontation with the President as he looks at vetoes for bills that cut important Federal programs too deeply.

This amendment provides $5.0 billion in budget authority and $4.0 billion in outlays for nondefense discretionary spending in fiscal year 1997. Every function with nondefense discretionary spending which is below a freeze is restored to a freeze level that reflects the enactment of the 1996 Omnibus Consolidated Rescissions and Appropriations Act.

Functions in the budget resolution that are above a freeze—natural resources and environment, veterans, the crime control trust fund—are left at those levels.

This freeze level differs somewhat from the budget resolution freeze level. Before the enactment of the 1996 omnibus appropriations bill, Congress had provided approximately $3.3 billion in emergency disaster funding for the Federal Emergency Management Agency, and $500 million for other disaster-related programs.

These disaster funds, which are essentially one-time emergency expenditures, are built into the post-OCRA freeze level used by the Appropriations Committees, spending more than ongoing Federal programs.

We do have to make choices as we allocate taxpayer dollars. The budget resolution makes some assumptions about where spending priorities lie. The Appropriations Committees will make their own determination and refer that allocation to the full House and Senate in the form of 13 annual appropriations bills.

Congress can accept or reject those bills, but I believe we need to be balanced in our approach to spending decisions.

Under the Harkin-Specter amendment, adding the $2.7 billion to education, training, and health would require cutting nondefense programs by another $1.2 billion.

What programs will be affected by those cuts?

WIC? Veterans health? The Environment? Housing? Agriculture? Community and rural development? Law enforcement? Basic scientific research? Transportation? The space program?

To help pay for these addbacks, defense programs would be cut by up to $1.5 billion. Again, what will be affected by this reduction? There are serious readiness and procurement underfunding problems in the defense budget, which this budget resolution seeks to address.

I believe the assumptions of the balanced budget resolution are defensible. We should not reduce defense below the level recommended in the resolution because readiness is key to a strong defense for our Nation.

Likewise, we should at least freeze non-defense spending at the 1996 level which reflects the agreement between Congress and the President in the Omnibus Appropriation Act.

I recognize that nondefense discretionary spending was the only portion of the Federal budget that significantly contributed to deficit reduction in 1996. This was due to the President's veto of the Balanced Budget Act, which included reform of major entitlement and mandatory programs.

Today, I am saying we can do better than a freeze to keep some of our priority domestic programs operating effectively in 1997. These additional amounts are offset with the administration's debt collection reforms that were not included in OCRA. I urge the adoption of this amendment.

I might just say for those who are interested in what prompts this, I have seen some early allocation of the assets given to the Appropriations Committee by the House budget resolution called technically the allocation of the money, that is, a big pot of money is divvied up, and I note that somehow or another the House appropriators seem to be saying we are going to make a couple of the subcommittees, in particular one of them, not only whole but real whole, and make sure that is not subject to any veto. We are going to put a lot of money in it. That is the labor, health and human services.

I am not arguing that point. What I am arguing at this point if that is done on a budget that was submitted for all of the appropriations, I did not assume any such thing when I worked on this budget resolution. If it had been the case and thus resulting in some subcommittees getting a 10 percent cut—Interior, which the occupant of the chair will have difficulty with. It covers the Indian people and a lot of other things getting a 7 to 10 percent cut, and others getting as much as a 25 percent cut—I would not favor the level of funding for the first year, 1997, that I did in this budget resolution.

I have just allowed for the Senate to approve some additional money. We will go to conference with the House on the budget resolution and see where it turns out. I am willing to discuss it further. There will not be a lot of time, with 30 seconds on a side, but essentially anybody who would like to talk to me about it tomorrow, I will be delighted to do that.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 4 minutes.

The Senator from Nebraska has 11 minutes 40 seconds.

Mr. EXON. In view of the arrangement we have reached, I yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from New Mexico yield back the time?

Mr. DOMENICI. Mr. President, I thank Senator EXON for his courtesies. This has been a very difficult budget resolution, in the sense that we have considered, overall, maybe more than 50 amendments. While the Senator from New Mexico thinks that many of them, being sense of the Senate and not binding on anyone, probably used an awful lot of time that was not necessary, that seems to be part of the U.S. Senate, and I am not complaining about it. But we have been here for a long time. That means we had to work together, and I think we did that very well.

To the Senators, many who cooperated in using small amounts of time so their fellow Senators would have a chance to offer their amendments with some explanation, I thank them, from both sides of the aisle, Democrat and Republican.

With that, I yield the remainder of the time on the budget.

Mr. EXON. Before you yield back, will you yield to me for just a moment? I want to return the nice compliment.

Mr. DOMENICI. Certainly.

Mr. EXON. I have always enjoyed working very closely with my friend and colleague. We are going to have a very tough day tomorrow. We are going to move things as expeditiously as we can.

At the proper time tomorrow, I will take time to publicly thank the excellent staff on this side and also the staff on that side of the aisle for being constructive and helpful all the way through. It has been, once again, a unique experience. I have appreciated the courtesy that is always extended to me by the chairman of the committee.

Mr. DOMENICI. I thank Senator EXON very much.

Let me correct something. There have been a number of requests on our side and your side for 15 minutes in the morning. So if I can correct it, we will start voting at 9:15. That is what the unanimous consent will state.

Mr. EXON. The 15 minutes will be morning business time?

Mr. DOMENICI. We will decide that later. We will be back on the budget resolution at 9:15 instead of 9 o'clock.

Mr. EXON. At 9:15.

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

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

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent we now have a period for morning business.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

UNITED STATES-UNITED KINGDOM AVIATION RELATIONS

Mr. PRESSLER. Mr. President, I rise today to discuss significant recent developments in our aviation relations with the United Kingdom. If handled properly by the administration, these developments could finally lead to full liberalization of United States/United Kingdom air service, our largest international aviation market.

Last week I spoke at some length in this body regarding my great frustration with the current state of aviation relations between our two nations. In those remarks I predicted a time would come when the British truly would want some significant aviation rights or regulatory relief from the United States. When that time came, I said I fully expect the administration to demand a very high price. I welcome reports that time may be at hand.

Mr. President, I am referring to published reports that British Airways, which presently controls a greater share of the United States/United Kingdom air service market than all United States passenger carriers combined, is close to announcing a major business alliance with American Airlines. In anticipation of that announcement, British negotiators came to Washington yesterday to assess the price tag for the regulatory relief the new alliance would require. I am pleased initial reports indicate the Department of Transportation [DOT] reaffirmed its longstanding position: Nothing short of full liberalization of the United States/United Kingdom air service market would be acceptable.

Let me emphasize a critically important point. If the administration stands firm, as I believe it must, the current restrictive United States/United Kingdom bilateral aviation agreement will be cast into the great trash heap of protectionist trade policy where it belongs. This would be very welcome news for the U.S. economy, all U.S. air carriers and consumers. If the situation is handled poorly, however, we will have to explain to future generations why we squandered our best opportunity in decades to liberalize the United States/United Kingdom air service market.

Since my remarks last week, I have been asked several questions I wish to address.

First, am I surprised my prediction has come to pass so quickly? No, not in the least. For nearly a year I touted an open skies agreement with Germany as the ideal competitive tool to pry open Britain's significantly restrictive air service market. In combination with open skies agreements already in place with 10 other European countries, the United States/German open skies agreement—which goes into full effect later this week—is having precisely that effect.

Simply put, the possible British Airways/American Airlines alliance is a competitive response to the United States/German open skies agreement and the grant of antitrust immunity to the United Airlines/Lufthansa alliance. If the Delta Air Lines alliance with three smaller European carriers is granted a final antitrust immunity order later this month, that alliance—in combination with the United and Northwest alliances—will mean nearly 50 percent of passenger traffic between the United States and the Europe will be carried on fully integrated alliances. I have predicted for some time British Airways would have no choice but to respond. It now appears to be doing so by seeking to ally itself with the strongest U.S. carrier available and, ultimately, to seek antitrust immunity for its new alliance.

Second, to what am I referring when I say the British should be required to pay a high price for the regulatory relief British Airways' new alliance would require? I believe the price tag must be nothing less than immediate open skies.

In the past, the British have been prone to redefine the term ''full liberalization'' to mean ''a balanced exchange of opportunities.'' Therefore, let me make clear what I mean when I say open skies. To avoid any misunderstanding, I believe the administration should make very clear to the British we expect at a minimum open third, fourth and fifth freedom rights for all our passenger and cargo carriers. Of course, this means that nothing less than open access to London's Heathrow Airport be included in the package.

Is this price too high? No, based on the recent history of United States/United Kingdom aviation relations, I believe it is just about right. For instance, I remember all too well how the British Government treated the United States in late 1990 and early 1991 when Pan Am was on the brink of shutting down operations and needed immediately to sell its Heathrow routes to survive. The British government showed not one iota of sympathy. Instead, at the urging of British Airways, for months the British Government squeezed our government for maximum compensation in exchange for approving that transaction as well as the sale of TWA's Heathrow routes. I hope we remember well the lessons of the so-called Heathrow succession agreement.

Is it realistic to demand the British Government open Heathrow airport to our carriers? Absolutely. The British always seem able to find space at Heathrow for non-U.S. carriers who pose less of a competitive challenge to British carriers. For instance, according to DOT, 24 of the airlines operating at Heathrow in July 1995 did not have

any services there in July 1990. In addition, British Airways controls 37 percent of the slots at Heathrow. It clearly is in a position to help resolve the access to Heathrow challenge. In short, British Airways controls its own destiny if it truly wants DOT approval for its proposed new alliance.

Mr. President, let me conclude by saying a truly historic opportunity may be at hand to finally force the British to join us on the field of free and fair air service competition. The Administration must stand firm and make clear to the British Government that nothing short of an open skies agreement is the price tag for any regulatory relief British Airways might seek in connection with its possible new alliance. A fully liberalized United States/United Kingdom air service agreement is critical to our economy, United States airlines and consumers and I fully expect we will not squander this opportunity.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the impression will not go away: The $5 trillion Federal debt stands today as an increasingly grotesque parallel to the energizer bunny in the T.V. commercial that keeps moving and moving and moving—precisely in the same manner and to the same extent that the President is sitting on his hands while the Federal debt keeps going up and up and up into the stratosphere.

Same old story. Some politicians talk a good game (''talk'' is the operative word here) about cutting Federal spending and thereby bringing the Federal debt under control. (But watch what they do when efforts are made to balance the Federal budget.)

Mr. President, as of the close of business yesterday, Monday, May 20, the Federal debt stood at exactly $5,114,232,705,195.00 (which amounts to $19,306.97 per man, woman, child on a per capita basis).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2693. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule concerning the amending of the educational assistance regulations (RIN 2900–AH60), received on May 16, 1996; to the Committee on Veterans' Affairs.

EC–2694. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule concerning the correction of a repayment formula for health care professionals who fail to comply with service obligation under the VA Health Professional Scholarship Program (RIN 2900–AH99), received on May 16, 1996; to the Committee on Veterans' Affairs.

EC–2695. A communication from the Director of the Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a final rule relative to amending the biologics regulations of the Food and Drug Administration to eliminate the requirement for an establishment license application for certain biotechnology and synthetic biological products (RIN 0910–AA71), received on May 16, 1996; to the Committee on Labor and Human Resources.

EC–2696. A communication from the Secretary of Health and Human Services, transmitting, the report of proposals for the reauthorization of the National Institutes of Health, received on May 16, 1996; to the Committee on Labor and Human Resources.

EC–2697. A communication from the Assistant Secretary for Employment Standards, Department of Labor, transmitting, pursuant to law, the report of a final rule concerning the amendments of the regulations under the Migrant and Seasonal Agricultural Worker Protection Act to implement statutory changes to MSPA concerning the relationship between workers' compensation benefits and the benefits available under the MSPA (RIN 1215–AA93), received on May 16, 1996; to the Committee on Labor and Human Resources.

EC–2698. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a final rule concerning the implementation of Cable Act reform provisions of the Telecommunications Act of 1996, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2699. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a final rule concerning the Table of Allotments, FM Broadcast Stations, Cornell, Wisconsin, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2700. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a final rule concerning the Citizens Utilities Company Permanent Cost Allocation Manual for the Separation of Regulated and Nonregulated Costs, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2701. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a final rule concerning the implementation of Section 273 of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996—Dispute Resolution Regarding Equipment Standards, received on May 13, 1996; to the Committee on Commerce, Science and Transportation.

EC–2702. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a final rule concerning the Table of Allotments, FM Broadcast Stations, Coolidge and Gilbert, Arizona, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2703. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the prohibition against certain flights within the territory and airspace of Afghanistan (RIN 2120–AG10), received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary on May 20, 1996:

William A. Fletcher, of California, to be U.S. circuit judge for the ninth circuit.

(The above nomination was reported with the recommendation that he be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 1785. A bill to establish in the Department of the Interior the Essex National Heritage Area Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WELLSTONE:

S. 1786. A bill to require the Secretary of Veterans Affairs and the Secretary of Health and Human Resources to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the medicare program for health care services provided to certain medicare-eligible veterans; to the Committee on Finance.

By Mr. PRESSLER (for himself, Mr. D'AMATO, Mr. BREAUX, and Mr. GRAHAM):

S. 1787. A bill to amend the Harmonized Tariff Schedule of the United States with respect to fireworks; to the Committee on Finance.

By Mr. FAIRCLOTH:

S. 1788. A bill to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself, Mr. THURMOND, Mr. NUNN, Mr. WARNER, Mr. COHEN, Mr. SANTORUM, Mr. INHOFE, Mr. KEMPTHORNE, Mr. BINGAMAN, Mr. COATS, Mr. SMITH, Mr. EXON, Mrs. HUTCHISON, Mr. MCCAIN, Mr. DASCHLE, Mr. LEVIN, Mr. AKAKA, Mr. BRADLEY, Ms. MIKULSKI, Mr. BRYAN, Mr. SARBANES, Mr. DORGAN, Mr. LIEBERMAN, Mr. SIMON, Mr. GRAHAM, Mrs. FEINSTEIN, Mr. GLENN, Mr. REID, Mr. JOHNSTON, Mr. ROBB, Mr. INOUYE, Mr. KOHL, Mr. FORD, Mr. KERREY, Mr. DODD, Mr. BUMPERS, Mr. PELL, Mr. FEINGOLD, Mr. LEAHY, Mr. MOYNIHAN, Mr. KENNEDY, Mrs. BOXER, Mrs. MURRAY, and Ms. MOSELEY-BRAUN):

S. Res. 255. A resolution to honor Admiral Jeremy M. ''Mike'' Boorda; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 1785. A bill to establish in the Department of the Interior the Essex National Heritage Area Commission, and for other purposes; to the Committee on Energy and Natural Resources.

THE ESSEX NATIONAL HERITAGE AREA ACT OF 1996

Mr. KENNEDY. Mr. President, Senator KERRY and I are introducing legislation today to establish the Essex Heritage District and Commission. The purpose of our legislation is to preserve for future generations the unique historic, cultural, and natural resources of Essex County, MA. A companion bill has been introduced in the House of Representatives by Congressmen PETER TORKILDSEN and MARTIN MEEHAN.

Essex County is the site of many historical events that have profoundly influenced the course of American history over the past 350 years. Concentrated in this area of less than 500 square miles are more than 8,300 National Register properties and 23 national historic landmarks related to the early settlement of the United States, the country's emergence as a major maritime power, and its subsequent industrial development.

The historic sites include many examples of nationally significant early architecture, including some of the finest examples of Georgian and Federal architecture to be found in the United States. Also still intact are 17th century marshland farms and rural home sites clustered around original commons. Active harbors have been in continuous use since the 17th century. Local shipyards, lighthouses, and distinctive maritime communities exemplify 18th century life. The first integrated iron works in America are still in operation under the auspices of the National Park Service. Textile mill villages and ''10-foot'' shops where shoes were made and sold in 10-foot-by-10-foot rooms still remain largely as they were in the 19th century.

Essex County also has extensive natural and scenic resources—marshlands, beaches, harbors, rocky farmlands, and islands—which amply demonstrate why maritime pursuits and water-powered industrial development first began here.

At the heart of this region lies the city of Salem. It was settled in 1626, 6 years after the Pilgrims landed in Plymouth. It became one of the most active ports in the United States in the 18th century, conducting trade throughout the world and opening many new markets for imports and exports. Salem retains a wealth of resources from this period, including one of the country's few remaining colonial-period wharves; classic 17th century structures; four major historic districts encompassing thousands of facilities which preserve Salem as it appeared in the late 18th century; the internationally renowned Peabody Essex Museum, containing major collections of maritime art and history. Chinese export wares and early anthropological collections; and many historic buildings associated with the life and work of one of America's most famous authors, Nathaniel Hawthorne.

Salem also has many homes, meeting sites, and cemeteries associated with the notorious witchcraft trials of 1692, which serve to remind residents and visitors alike of the dangers of witch hunts and the importance of the individual rights built into our Constitution a century later.

The purpose of our legislation is to preserve these extraordinary resources and make them available to the public. The Commission will carry out the mission proposed in the Salem Project, a report issued by the National Park Service in January 1990, which suggested a broadening of Federal recognition beyond the boundaries of Salem itself, to take into account the shared historic themes formed throughout Essex County.

The success of the preservation effort at Salem Maritime National Historic Site, the oldest such site in the country, established in 1938, has encouraged local initiatives in many of the surrounding communities. Our legislation will build on that local interest by providing a management framework for the preservation efforts of these various jurisdictions. Our goal is to protect and preserve these nationally significant resources in ways that present a unified interpretive story for visitors, so that they can readily understand the relationships among the historic sites throughout the county. The Commission will provide guidance to local communities and the State to ensure that the goal is achieved. Our bill does not propose major Federal land acquisition or a Federal bureaucracy. Its modest Federal involvement will help local efforts to proceed smoothly.

The success of the Essex Heritage District and Commission depends on broad-based support and participation by private citizens, businesses, nonprofit institutions and local, regional, and State governments. The majority of funds to implement the countywide recommendations in the National Park Service report is expected to come from the private sector and local sources.

Salem has demonstrated how successful this approach can be. In the past 8 years, Federal appropriations of $24 million for Salem Maritime National Historic Site have led to more than $150 million in private, municipal, and State investments in projects which relate to the proposed Essex Heritage District. For example, the Peabody Essex Museum has planned a $75 million expansion which will include renovation of the Salem Armory building that now houses the Regional Visitor Center run by the Park Service. The city of Salem is also planning an $18 million expansion of its port facilities, and has successfully pursued matching funds for the reconstruction of the 18th century merchant ship *Friendship*.

At the county level, an Essex Heritage Commission, comprised of 46 volunteer members from the private sector and municipal and State governments, is already well underway toward developing an action plan for regional trails and exhibits. This fall, the Commission plans to install a regional signage system on the Federal and State highways to serve as a magnet and bring people into the Essex Heritage Area District. Many community officials, board members, and representatives from other preservation and environmental organizations are providing valuable assistance and coordination. But there is much more to be done, and it is time for the Federal Government to play a role in this promising endeavor.

Its success so far has been based on the ability of people with many different perspectives to work together. This legislation will help them go forward in effective and efficient ways, as they work to bring the region together and preserve these magnificent historical resources for the enjoyment of generations to come. I urge my colleagues to support this important initiative.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1785

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Essex National Heritage Area Act of 1996.''

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) Essex County, Massachusetts, was host to a series of historic events that influenced the course of the early settlement of the United States, its emergence as a maritime power, and its subsequent industrial development;

(2) the North Shore of Essex County and the Merrimack River valley in Essex County contain examples of significant early American architecture and significant Federal-period architecture, many sites and buildings associated with the establishment of the maritime trade in the United States, the site of the witchcraft trials of 1692, the birthplace of successful iron manufacture, and the establishment of the textile and leather industries in and around the cities of Peabody, Beverly, Lynn, Lawrence, and Haverhill;

(3) Salem, Massachusetts, has a rich heritage as one of the earliest landing sites of the English colonists, the first major world harbor for the United States, and an early thriving hub of American industries;

(4) the Saugus Iron Works National Historic Site is the site of the first sustained, integrated iron works in Colonial America, and the technology employed at the Iron Works was dispersed throughout the Colonies and was critical to the development of industry and technology in America;

(5) the Salem Maritime National Historic Site contains nationally significant resources that explain the manner in which the Nation was settled, its evolution into a maritime power, and its development as a major industrial force;

(6) the story told at the Salem Maritime and Saugus Iron Works National Historic

Sites would be greatly enhanced through the interpretation of significant theme-related resources in Salem and Saugus and throughout Essex County;

(7) partnerships between the private and public sectors have been created and additional partnerships will be encouraged to preserve the rich cultural heritage of the region, which will stimulate cultural awareness, preservation, and economic development through tourism;

(8) a visitors' center that has already been constructed at Salem Maritime National Historic Site in Salem, Massachusetts, will be available to interpret the themes of the Essex National Heritage Area established by this Act and to coordinate the interpretive and preservation activities of the Area; and

(9) the resident and business communities of the region have formed the Essex Heritage Ad Hoc Commission for the preservation, interpretation, promotion, and development of the historic, cultural, and natural resources of the region and are investing significant private funds and energy to develop a plan to preserve the nationally significant resources of Essex County.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish the Essex National Heritage Area and the Essex National National Heritage Area Commission, representing all concerned levels of government, to recognize, preserve, promote, interpret, and make available for the benefit of the public the historic, cultural, and natural resources of the North Shore and lower Merrimack River valley in Essex County, Massachusetts, which encompass the three primary themes of the Salem Maritime National Historic Site and Saugus Iron Works National Historic Site (the histories of early settlement, maritime trade, and the textile and leather industries);

(2) to implement the appropriate alternative as described in the document entitled ''The Salem Project: A Study of Alternatives'', dated January 1990, within the boundaries of Essex County; and

(3) to provide a management framework to assist the Commonwealth of Massachusetts and its units of local government in the development and implementation of an integrated cultural, historical, and land resource management program in order to retain, enhance, and interpret the significant values of the lands, waters, and structures located in the Essex National Heritage Area.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) The term ''Commission'' means the Essex National Heritage Area Commission established by section 201.

(2) The term ''Area'' means the Essex National Heritage Area established by section 101.

(3) The term ''Secretary'' means the Secretary of the Interior.

TITLE I—ESSEX NATIONAL HERITAGE AREA

SEC. 101. DESIGNATION OF NATIONAL HERITAGE AREA.

(a) DESIGNATION.—For the purpose of preserving and interpreting, for the educational and inspirational benefit of present and future generations, the unique and significant contributions to our national heritage of certain historic and cultural lands, natural waterways, and structures within the County of Essex in the Commonwealth of Massachusetts, there is hereby established the Essex National Heritage Area.

(b) BOUNDARIES.—The Area shall comprise the lands generally depicted on the map numbered NAR–51–80,000 and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(c) ADMINISTRATION.—The Area shall be administered in accordance with the provisions of this Act.

TITLE II—ESSEX NATIONAL HERITAGE AREA COMMISSION

SEC. 201. ESTABLISHMENT.

(a) IN GENERAL.—To carry out the purpose of this Act there is hereby established in the Department of the Interior the Essex National Heritage Area Commission. The Commission shall exercise the responsibilities and authorities conferred on the Commission by this title with respect to the Area. The Commission shall consist of 33 members (including ex officio members), appointed by the Secretary, as follows:

(1) Five members appointed from recommendations submitted by the Governor of Massachusetts, of which one shall represent the interests of the Massachusetts Historical Commission, one shall represent the Executive Office of Environmental Management, one shall represent the Massachusetts Executive Office of Transportation and Highways, one shall represent the Executive Office of Administration and Finance, and one shall represent the Executive Office of Communities and Development.

(2) Eleven members representing the interests of local government, appointed from recommendations submitted as follows:

(A) One each from recommendations submitted by the mayors of the cities of Peabody, Salem, Lynn, Lawrence, Haverhill, Newburyport, Beverly, and Gloucester.

(B) Three representing the towns of Essex County, from recommendations submitted by the Essex County Advisory Board.

(3) Eight members representing local business, nonprofit organizations, and other nongovernmental groups, appointed from recommendations submitted as follows:

(A) Two from recommendations submitted by the Salem Partnership.

(B) One each from recommendations submitted by the Lynn Business Partnership, the Greater Haverhill Chamber of Commerce, the Cape Ann Chamber of Commerce, the Merrimack Valley Chamber of Commerce, the North Shore Chamber of Commerce, and the Society for the Preservation of New England Antiquities.

(4) Three members representing nonprofit organizations which have significant interests and resources located in the Area, from recommendations submitted as follows:

(A) One from recommendations submitted by the Peabody Essex Museum, to represent the interests of major museums.

(B) One from recommendations submitted by the Essex County Greenbelt Association, to represent the interests of the natural resources of the Area.

(C) One from recommendations submitted by the President of Salem State College, to represent the interests of institutions of higher education.

(5) The Director of the National Park Service, ex officio, or the delegate of the Director, the superintendent of the Salem Maritime National Historic Site, ex officio, or the delegate of the superintendent, and the superintendent of the Saugus Ironworks National Historic Site, ex officio, or the delegate of the superintendent.

(6) One member recommended by the Representative to the Congress from the Fifth Congressional District of Massachusetts.

(7) Two members recommended by the Representative to the Congress from the Sixth Congressional District of Massachusetts.

(b) TERMS.—The term of appointed members of the Commission shall be 3 years, except as provided in subsection (d).

(c) CHAIRPERSON.—The Commission shall elect a chairperson from among its members. The term of office of the chairperson shall be 2 years.

(d) VACANCY.—Any member of the Commission appointed for a definite term may serve after the expiration of his term until his successor is appointed. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made. The term of any member appointed to fill a vacancy shall be the remainder of the term for which the member's predecessor was appointed.

(e) QUORUM.—A simple majority of Commission members shall constitute a quorum.

(f) MEETINGS.—The Commission shall meet at the call of the chairperson or a majority of its members, but not less than quarterly.

(g) COMPENSATION.—Members of the Commission shall serve without compensation, except as otherwise provided in this subsection. Members of the Commission may receive travel expenses (including per diem in lieu of subsistence) when engaged in Commission business, in accordance with section 5703, title 5, United States Code, in the same manner as persons employed intermittently.

SEC. 202. STAFF OF THE COMMISSION.

(a) STAFF.—(1) The Commission shall have the power to appoint and fix the compensation of such staff as may be necessary to carry out its duties.

(2) Staff appointed by the Commission—

(A) shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive services; and

(B) shall be paid in accordance with the provisions of chapter 51 of title 5, United States Code, and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(b) EXPERTS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Commission may procure services of experts and consultants to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be reasonable.

(c) STAFF AND OTHER AGENCIES.—(1) Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out the Commission's duties.

(2) The Commission may accept the services of personnel detailed from the Commonwealth of Massachusetts (and any political subdivision thereof) and may reimburse the Commonwealth or political subdivision for the services.

(d) ADMINISTRATIVE SUPPORT.—The Administrator of the General Services Administration shall provide to the Commission such administrative support services as the Commission may request, on a reimbursable basis.

SEC. 203. POWERS OF THE COMMISSION.

(a) IN GENERAL.—The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable.

(b) BYLAWS.—The Commission may make such bylaws, rules and regulations, consistent with this Act, as it considers necessary to carry out its functions under this title.

(c) DELEGATION.—When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d) TECHNICAL ADVISORY GROUPS.—The Commission may establish and appoint one or more technical advisory groups and subcommittees to provide technical advice to

the Commission with respect to issues including, but not limited to, financing, historic preservation, natural resource preservation, recreation, tourism, or intergovernmental coordination.

(e) GIFTS.—Notwithstanding any other provision of law, the Commission may seek, accept, and dispose of donations of funds, property, or services from individuals, from foundations, corporations, and other private entities, and from public entities, for the purpose of carrying out its duties.

(f) FUNDS FROM OTHER SOURCES.—The Commission may use its funds to obtain money from any source under any program or law, including a program or law requiring the recipient of such money to make a contribution in order to receive such money.

(g) MAIL.—The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(h) OBTAINING PROPERTY, FACILITIES AND SERVICES.—The Commission may obtain by purchase, rental, donation, or otherwise, such property, facilities, and services as may be needed to carry out its duties. The Commission may acquire real property, or interests in real property, in the Area only by gift, by rental, or by purchase from a willing seller with money which was given, bequeathed, or appropriated to the Commission on the condition that such money would be used to purchase real property, or interests in real property, in the Area.

(i) ADVISORY GROUPS.—The Commission may establish such advisory groups as the Commission deems necessary to ensure open communication with, and assistance from, the Commonwealth of Massachusetts, political subdivisions of the Commonwealth of Massachusetts, and interested persons.

(j) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with the Secretary, the Commonwealth of Massachusetts, any political subdivision of the Commonwealth, or any person.

SEC. 204. FUNCTIONS OF THE COMMISSION.

(a) IN GENERAL.—The Commission is authorized to—

(1) coordinate activities of and establish cooperative agreements with Federal, State, and local governments and private businesses and organizations in order to further historic preservation, cultural conservation, natural area protection, and compatible revitalization with respect to the Area;

(2) establish guidelines and standards for projects and prepare programs and exhibits, consistent with standards established by the National Park Service for preservation of historic properties (including standards regarding interpretive methods), that will further the recognition, preservation, promotion, interpretation, and economic revitalization of the historic and natural resources in the Area;

(3) provide advice and assistance in preparation of loan or grant applications to the Commission and applications for loan or grants from Federal or non-Federal sources in furtherance of the purpose of this Act;

(4) make loans and grants, from funds appropriated for that purpose or from funds donated or otherwise made available to the Commission, for the purpose of conserving and protecting sites, buildings, resources, and objects which are included or eligible for inclusion on the National Register of Historic Places or for the purposes of providing educational and cultural programs which encourage appreciation of the resources of the Area; and

(5) implement the study report prepared by the Essex Heritage Ad-Hoc Commission.

(b) ANNUAL REPORTS.—

(1) REPORTS BY COMMISSION.—The Commission shall submit an annual report to the Secretary setting forth its expenses and income and the entities to which any loans and grants were made by the Commission during the year for which the report is made.

(2) REPORTS BY SECRETARY.—The Secretary shall submit an annual report to the Congress describing the loans, grants, and technical assistance provided under this Act. The report shall specify the amount, recipient, and purpose of any loan, grant, or technical assistance so provided, and shall include an analysis of the adequacy of actions taken during the year the report concerns to preserve, protect, and interpret the significant sites, buildings, and objects within the Area. The report shall describe the anticipated funds and personnel to be made available by the Secretary during the fiscal year following the year the report concerns to implement the provisions of this Act.

(c) COST ESTIMATES.—Prior to making any grant or loan, the Commission shall require detailed cost estimates to be prepared for the project to be funded. Within 1 year after the date of the enactment of this Act, the Commission shall submit to the appropriate committees of the Congress detailed cost estimates for the projects for which, at the time the report is submitted, the Commission has made, has agreed to make, or plans to make a grant or loan under this Act.

SEC. 205. DUTIES OF THE SECRETARY.

(a) IN GENERAL.—To carry out the purpose of this Act, the Secretary shall assist the Commission in preparing such studies and plans as the Secretary considers appropriate and in implementing the recommendations contained in study report prepared by the Essex Heritage Ad-Hoc Commission. The Secretary is authorized to enter into agreements with the Commission or with any owner of property with national historic or cultural significance within the Area for the purpose of facilitating public use and enjoyment of such resources or to otherwise further the objectives of the Commission. Any such agreement shall provide whenever appropriate that—

(1) the public may have access to such resources at specified, reasonable times for the purpose of viewing the property or exhibits or attending programs or other activities, as may be appropriate;

(2) the Secretary may make improvements to such resources as the Commission or the Secretary deem necessary to enhance the public use and enjoyment of the resources, or to render such property usable by the Secretary, the Commission, or any person for the purpose of this Act; and

(3) the Secretary may occupy, utilize, and acquire easements or leasehold interests in resources as required to implement the programs and purpose of this Act.

(b) TECHNICAL ASSISTANCE.—The Secretary shall provide, upon request, technical assistance to the Commission to assist the Commission in the performance of its powers and functions as authorized under this Act. The Secretary may provide to any owner of property within the Area, to the Commonwealth of Massachusetts, to the City of Salem and other participating municipalities, to any other Federal or State entity, to any institution, or to any person such technical assistance as the Secretary considers appropriate to carry out the purpose of this Act.

SEC. 206. EXPIRATION.

(a) IN GENERAL.—The Commission shall cease to exist 10 years after the date of the enactment of this Act.

(b) SUCCESSOR ENTITY.—The Commission shall assist, if appropriate, in the establishment of a nonprofit management entity, exempt from income taxes under section 501(c)(3) of the Internal Revenue Code of 1986, to continue as necessary the functions of the Commission and the management of the Area upon the expiration of the Commission.

(c) PROPERTY OR FUNDS REMAINING.—Any property or funds of the Commission remaining upon the expiration of the Commission shall be transferred to the nonprofit management entity referred to in subsection (b), if such an entity exists and is willing to accept the transfer. If such an entity does not exist or is not willing to accept such transfer, the property or funds referred to in the preceding sentence shall be transferred to the Treasury of the United States, to a State or local government agency, or to any combination thereof, as determined by the Commission or, if the Commission fails to so determine and such an entity exists, by the nonprofit management entity referred to in subsection (b).

SEC. 207. PRIVATE PROPERTY.

No privately owned property shall be included within the boundaries of the Area unless the government of the county, city, or town in which the property is located agrees to be so included and submits notification of such agreement to the Secretary.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.

Mr. KERRY. Mr. President, I am pleased to join, once again, with my colleague from Massachusetts, Senator KENNEDY, in introducing legislation to create the Essex Heritage District and Commission with the goal of preserving the unique resources of Essex County, MA for future generations.

Essex County, which stretches through Massachusetts' North Shore communities into the Merrimac River Valley and up to the New Hampshire border, represents a mural of American history with its architecture, industry, and culture. Within a county of only 500 square miles, there are nearly 80 historic districts which offer more examples of nationally significant early American architecture than any other place in the Nation. Included among these historical structures are 17th century marshland farms, rural homes, cemeteries, and original town commons. The shoreline of Essex County contains shipyards, lighthouses, and harbors that have been active since the 17th century.

Together, these sites form a panorama of our Nation's development as a maritime and industrial power. In the 18th century, this region became a mecca for American trade, a hub for trading goods with the other great trading nations. In response, the region flourished as a manufacturing center, which led to the establishment and growth of the textile and leather industries in the Merrimac River Valley towns of Peabody, Lawrence, Beverly, and Haverhill. The history of this growth is evident today in the textile mill villages, the first sustained integrated iron works site, and one of the most significant planned manufacturing cities in the country, all of which remain largely intact today.

At the heart of all this activity is the city of Salem. While Salem is famous in the history books and in American

lore as the site of the 1692 witch trials, it is equally important as an early landing point for some of the first English colonists and as one of the most active ports of the 18th century. An amazing number of these historical resources remain intact including a colonial period wharf and 17th and 18th century structures exemplifying Puritan society.

A tour through the historic districts of Essex County is a visual lesson in this important period of our Nation's past. We are lucky that so many of these historical resources remain to provide such a detailed record and we must work to ensure their continued protection through the creation of the Essex Heritage District Commission. The Commission, which would be authorized for 10 years, would provide the long-term commitment that is needed to bring about the success of this project. Of course, the primary mission would be preservation, but more than this, the Commission will take individually preserved resources and link them through a unified interpretive story of this region and its place in our Nation's history.

While the Commission will be chartered by Federal legislation, it will not be a project managed by the Federal Government nor will it require major Federal land acquisition. Instead, the Commission will be comprised primarily of delegates from the State and local governments, nonprofit organizations, and private citizens and business interests from the participating communities.

This approach should prove very successful based upon the past efforts at the Salem Maritime National Historic Site which has leveraged significant local support from the surrounding communities. For example, in the past 8 years, Federal appropriations of $24 million for the Salem Maritime Site have leveraged more than $150 million in non-Federal investments in Essex Heritage District projects, including support for the planned $75 million expansion of the Peabody Essex Museum which will include renovation of the Salem Armory building that now houses the Regional Visitor Center run by the National Park Service.

Our bill would create a system under which various community groups can come together to develop their own goals by combining historic and resource preservation with economic concerns. The preservation activities which have already begun in Essex County have enhanced the region as visitor attractions for its historic sites, its picturesque scenery, and its desirability as a place to live and do business. I hope the Senate will act to ensure this success through swift and positive action on this bill.

By Mr. WELLSTONE:

S. 1786. A bill to require the Secretary of Veterans Affairs and the Secretary of Health and Human Resources to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the Medicare Program for health care services provided to certain Medicare-eligible veterans; to the Committee on Finance.

VA HEALTH CARE ELIGIBILITY LEGISLATION

Mr. WELLSTONE. Madam President, I am pleased and honored to introduce legislation which I believe will demonstrate the cost effectiveness and feasibility of Medicare subvention funding to the Department of Veterans Affairs [VA] for treatment of some Medicare-eligible veterans at VA medical facilities. This legislation would authorize a demonstration project of Medicare subvention whereby Medicare would reimburse VA for delivering health care to some veterans age 65 and over.

My legislation would authorize the Secretaries of Veterans Affairs and of Health and Human Services to enter into an agreement to carry out the demonstration project. This bill would bar reimbursement to the VA until the expenditure for health care services for participating veterans by a veterans integrated service network exceeds the amount that the VA would expend for such services in the absence of the project.

In effect, this ensures that VA will receive Medicare reimbursement only for additional health care costs that are directly attributable to the demonstration project. My bill would ensure that costs to the Medicare program of providing services under the project do not exceed the usual costs Medicare would incur in providing such services.

To prevent red tape from delaying the start of this test, the legislation specifies that VA health care facilities chosen to participate in the demonstration project will automatically be deemed to meet Medicare standards. Reimbursement to the VA will be on a capitated basis and veterans age 65 and over who are not eligible for VA health care for a service-connected disability may be selected to participate in the project.

Madam President, I now want to address the two key reasons I am introducing this legislation and will press for its passage. First, reforming veterans' health care is one of my highest priorities and I am quite frankly disappointed that the Senate has not yet emulated the House in taking significant bipartisan legislative action to reform unwieldy, arcane, and obsolete eligibility rules that Minnesota and other veterans face when they visit VA hospitals and clinics. While Secretary of Veterans Affairs Jesse Brown and his Under Secretary for Health Ken Kizer have taken bold and innovative steps to modernize, restructure and decentralize VA health care, their efforts to overhaul the VA health care system—so that it will remain viable and serve the needs of veterans into the 21st century—are being hamstrung by outmoded eligibility criteria that stress inpatient care even when outpatient care would be more appropriate, user-friendly and cost effective.

I believe that Medicare reimbursement is an important and, with an aging veterans population, even an essential component of eligibility reform. My view is shared by major veterans service organizations [VSO's] which have submitted two different eligibility reform proposals that would authorize the VA to receive Medicare reimbursement for treating Medicare-eligible veterans. Medicare reimbursement will allow the VA to offset the costs of delivering care to older veterans who may gain access to outpatient and preventive care when eligibility reform legislation is enacted.

The GAO, however, has questioned both the feasibility and cost of providing Medicare reimbursement to the VA. While I lean toward the VSO's view that Medicare reimbursement would be both feasible and cost-effective, the only way to prove it is by means of a demonstration project. This is precisely what my legislation authorizes.

Second, because the VA is facing and will likely continue to face severe funding constraints that probably will reduce its capabilities to provide access to quality health care, the VA will be under strong pressure to deny some vital health care services to Medicare-eligible veterans.

In recent years the VA health care budget has lagged behind medical cost inflation and under the budget resolution adopted by Congress last year the VA medical care budget would be frozen for 7 years, thus lagging behind overall inflation and probably even further behind medical cost inflation. As a consequence, the VA may be compelled to further ration care, with veterans 65 and over one of the groups likely to be affected. Even before the VA was faced with a flat health care budget, many of its facilities were compelled to resort to rationing.

In this connection it is important to note that recent GAO testimony before the Senate Subcommittee on VA, HUD, and Independent Agencies Appropriations underscored the fact that in 1993 ''118 VA medical centers reported rationing some types of care to eligible veterans when the centers ran short of resources.'' There is no doubt whatever that a flat VA health care budget for 7 years can only lead to more extensive rationing of health care for veterans. This will further fray our solemn contract with the men and women who selflessly defended our country.

Madam President, this bill is intended to ensure that our aging veterans population is not denied access to VA health care precisely when they need it most. I believe that this demonstration project will show that Medicare subvention will at least be budget neutral, and may even save Medicare dollars by using less costly VA care. But I would hope that even those who do not share my views would agree that the demonstration project that I

am proposing is the best way of determining the impact on Medicare, the VA, and most important, our aging veterans. These brave men and women deserve the best health care that can be provided, not rationed care whose quality is determined by an eroding VA health care budget and not by the health care needs of veterans who risked their lives for this country at times when it was in dire peril.

Madam President, improving and protecting health care for the increasing numbers of older veterans should be a priority issue for my colleagues on both sides of the aisle. I hope all of my colleagues will carefully scrutinize this bill, strongly support it, and join me in the fight to ensure its passage.

Madam President, I am introducing a bill today that focuses on health care eligibility in the VA health care system. It is, interestingly enough, analogous to a bill that the majority leader, Senator DOLE, has introduced that essentially says for those Department of Defense retirees, that there can be a Medicare third-party payment for them to continue to receive health care within the military health care system. That is put on a demonstration project basis. I think it is an important piece of legislation.

What the bill I have introduced says, again, on the demonstration model basis—demonstration project basis—is that for some of the veterans within a certain narrow framework, they also will be able to receive health care within the VA health care coverage—within the VA health care system—with a Medicare third-party payment.

I now sit on the Veterans' Committee. It has taken me several years to get on that committee. These issues are near and dear to my heart. It is clear to me, and I think it is clear to all Senators on both sides of the aisle, that health care eligibility is at the very top of, if you will, an agenda that is responsive to the concerns and circumstances of the veterans community. This will be a demonstration model. That is what this bill calls for. I think it is extremely important.

There is a debate as to whether or not, for example, Medicare third-party payment for the VA health care system will work well or not. The only way we can find out, without having to debate ad nauseam, is to put this on a pilot project basis.

I think this is only a step, but this piece of legislation, if passed, either as a piece of legislation or an amendment on the appropriate vehicle, I think it is an extremely important step in the right direction of enabling us to do some things within our VA health care system that will enable us to provide very efficient and very effective and very compassionate health care for veterans.

Also, Madam President, I want to mention that Dr. Ken Kizer, with the VA health care system, I think is really making a heroic effort to think deeply about VA health care and where it is going into the next century.

I think he is joined by Secretary Jesse Brown. Secretary Brown, in my view as a Senator from Minnesota—and I think I have been a fierce advocate for veterans—has been a very powerful and very articulate advocate for veterans in this country. I know that he has put health care eligibility reform at the very top of his list of priorities. I know that he cares deeply about veterans. I know as someone who was very active within the DAV, Disabled Veterans of America, he knows these issues. They are not abstract or intellectual to him. He came to this Cabinet position as someone who has been down in the trenches struggling not only for disabled veterans but for all vets.

So with the time I have on the floor, again I am devoted to this piece of legislation which I have introduced. I think there is going to be strong bipartisan support for this.

I also want to say a few words about the Secretary of Veterans Affairs because I think he has been a great Secretary for the veterans of Minnesota and across the country.

By Mr. PRESSLER (for himself, Mr. D'AMATO, Mr. BREAUX and Mr. GRAHAM):

S. 1787. A bill to amend the Harmonized Tariff Schedule of the United States with respect to fireworks; to the Committee on Finance.

FIREWORKS LEGISLATION

Mr. PRESSLER. Mr. President, today I am introducing legislation that would correct a mistake made during the drafting of the implementing legislation of the General Agreement on Tariffs and Trade [GATT] Uruguay round. That law has had the effect of unintentionally more than doubling the tariff rates on display fireworks that are imported into the United States. Unintended or not, this provision has had real consequences. The most obvious has been a dramatic increase in the price of display fireworks, the vast majority of which are purchased by our State and local governments for use in municipal celebrations.

While we are struggling here in Congress to reduce the deficit and balance the Federal budget under tight economic constraints, State and local governments are required by law to balance their budgets every year—with far less flexibility and far fewer resources than what is available to the Federal Government.

The higher cost of display fireworks imposes major strain on municipalities that wish to sponsor Memorial Day or Fourth of July celebrations. Many towns simply are unable to afford the higher fireworks prices and some may forego these celebrations altogether. It's a sad fact that one unfortunate consequence leads to others.

These problems are especially troublesome for rural areas. Small cities and towns do not have a wide variety of options for purchasing their fireworks. A dramatic increase in the cost of fireworks leaves these towns with very few alternatives. The ripple effect of this is that the small companies that serve as fireworks distributors suffer sales losses.

This is not just mere speculation. There is a family-owned business in my State of South Dakota called Rich Bros. Fireworks. Michael Rich and his family serve the small towns across our State. The Rich family does it because they enjoy the service they provide. Mr. President, this is not a highly profitable business to begin with, and the higher prices resulting from the GATT implementing legislation have caused demand to decline. Michael Rich has informed me that unless corrective action is taken, they may be forced to close their business by the end of the year. The name Rich Bros. is synonymous with July 4th in South Dakota, and kids across the State—young kids, and grown-up kids alike—look forward to the celebration of the birth of our country with all the fanfare and excitement fireworks provide.

Family-owned businesses, such as Rich Bros., are the foundation of towns across South Dakota. These people are committed to their neighbors and to their communities. They should not suffer from unintended consequences of the law. That is why we are here—to look out for them and to correct problems like these as soon as possible. That is why I am introducing this legislation today. It is really a minor change that would make a major difference—perhaps the difference between life and death—for small businesses like Rich Bros. I ask my colleagues for their support in passing this legislation which restores the 2.4-percent tariff rate for display fireworks that existed prior to the implementation of the Uruguay round legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DUTY ON DISPLAY FIREWORKS.

Chapter 36 of the Harmonized Tariff Schedule of the United States is amended by striking subheading 3604.10.00 and inserting the following new subheadings:

"3604.10	Fireworks:				
3604.10.10	Display fireworks (Class 1.3C)	2.4%	Free (A*, CA, E, IL, J, MX)	12.5%	
3604.10.90	Other (including Class 1.4G)	5.3%	Free (A*, CA, E, IL, J, MX)	12.5%."	

SEC. 2 EFFECTIVE DATE.

(a) IN GENERAL.—The amendment made by section 1 applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(b) RETROACTIVE TREATMENT.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon a request filed with the Customs Service before the 90th day after the date of the enactment of this Act, any entry, or withdrawal from warehouse for consumption—

(1) which was made on or after January 1, 1996, and before the 15th day after the date of the enactment of this Act, and

(2) with respect to which there would have been a lesser duty if the amendment made by section 1 applied to such entry or withdrawal,

shall be liquidated or reliquidated as though such amendment applied to such entry or withdrawal.

ADDITIONAL COSPONSORS

S. 228

At the request of Mr. BRYAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 228, a bill to amend certain provisions of title 5, United States Code, relating to the treatment of Members of Congress and Congressional employees for retirement purposes.

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 691

At the request of Mr. SHELBY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 691, a bill to amend title XVIII of the Social Security Act to provide for coverage of early detection of prostate cancer and certain drug treatment services under part B of the Medicare program, to amend chapter 17 of title 38, United States Code, to provide for coverage of such early detection and treatment services under the programs of the Department of Veterans' Affairs, and to expand research and education programs of the National Institutes of Health and the Public Health Service relating to prostate cancer.

S. 1150

At the request of Mr. SANTORUM, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of S. 1150, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall Plan and George Catlett Marshall.

S. 1418

At the request of Mr. PRESSLER, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1418, a bill to provide for the more effective implementation of the prohibition against the payment to prisoners of supplemental security income benefits under title XVI of the Social Security Act or monthly benefits under title II of such Act, and to deny such supplemental security income benefits for 10 years to a person found to have fraudulently obtained such benefits while in prison.

S. 1669

At the request of Mr. LOTT the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Maine [Mr. COHEN], the Senator from Delaware [Mr. ROTH], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 1669, a bill to name the Department of Veterans Affairs' medical center in Jackson, Mississippi, as the ''G.V. (Sonny) Montgomery Department of Veterans Affairs' Medical Center.''

S. 1735

At the request of Mr. PRESSLER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1735, a bill to establish the United States Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

AMENDMENT NO. 3988

At the request of Mr. WELLSTONE, the names of the Senator from Maine [Mr. COHEN], the Senator from Pennsylvania [Mr. SANTORUM], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of amendment No. 3988 proposed to S. Con. Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

SENATE RESOLUTION 255—TO HONOR ADM. JEREMY M. BOORDA

Mr. LOTT (for himself, Mr. THURMOND, Mr. NUNN, Mr. WARNER, Mr. COHEN, Mr. SANTORUM, Mr. INHOFE, Mr. KEMPTHORNE, Mr. BINGAMAN, Mr. COATS, Mr. SMITH, Mr. EXON, Mrs. HUTCHISON, Mr. MCCAIN, Mr. DASCHLE, Mr. LEVIN, Mr. AKAKA, Mr. BRADLEY, Ms. MIKULSKI, Mr. BRYAN, Mr. SARBANES, Mr. DORGAN, Mr. LIEBERMAN, Mr. SIMON, Mr. GRAHAM, Mrs. FEINSTEIN, Mr. GLENN, Mr. REID, Mr. JOHNSTON, Mr. ROBB, Mr. INOUYE, Mr. KOHL, Mr. FORD, Mr. KERREY, Mr. DODD, Mr. BUMPERS, Mr. PELL, Mr. FEINGOLD, Mr. LEAHY, Mr. MOYNIHAN, Mr. KENNEDY, Mrs. BOXER, Mrs. MURRAY, and Ms. MOSELEY-BRAUN):

S. RES. 255

Whereas Admiral Jeremy M. ''Mike'' Boorda was the 25th Chief of Naval Operations.

Whereas as the Chief of Naval Operations, Admiral Boorda commanded the foremost Navy in the World;

Whereas Admiral Boorda's career in the Navy reflected his lifelong dedication to the United States and to the principles he held dear—duty, honor, and commitment;

Whereas Admiral Boorda is the only member of the Navy ever to rise from the lowest enlisted grade to the position of Chief of Naval Operations, and this rise gave him a full and unique perspective on the opportunities and obligations of command;

Whereas this perspective instilled in Admiral Boorda an unwavering concern for the members of the Navy and their families;

Whereas as Commander-in-Chief of NATO forces in Southern Europe, Admiral Boorda ordered the first offensive use of deadly force in the history of NATO, an air strike in February 1994 against four Bosnian Serb aircraft flying in violation of a United Nations ban on such flights;

Whereas Admiral Boorda was a visionary in naval strategy who recognized that circumstances in the post-Cold War era made necessary a strategy that retained a forward presence for the Navy even as it recognized that future Navy operations would most likely occur in the littoral zones of the world;

Whereas this strategy, which Admiral Boorda called ''Forward . . . From the Sea'', will serve as the basis for Navy strategy well into the 21st century;

Whereas Admiral Boorda was a visionary in naval technology who spearheaded programs for the development of the arsenal ship, the new attack submarine, theater ballistic missile defense, and cooperative engagement capabilities;

Whereas these programs, and many others spearheaded by Admiral Boorda, put the Navy on the cutting edge of technology and did so in an efficient, affordable, flexible manner;

Whereas Admiral Boorda recognized the need for the Navy to develop a strategy for utilizing emerging technology effectively and developed in response to that need the plan known as ''20/20 Vision'', a long-range plan for the acquisition and utilization of technology in the future in order to achieve the strategic objectives of the United States; and

Whereas it is fitting that Admiral Boorda be remembered as he described Admiral Arleigh Burke when saying that ''. . . he defined what it means to be a naval officer: relentless in combat, resourceful in command, and revered by his crews . . . He was, indeed, a sailor's sailor.''': Now, therefore, be it

Resolved, That the Senate honors Admiral Jeremy M. ''Mike'' Boorda for a career that included extraordinary contributions to the defense of the United States and a singular commitment to the members of the Navy and thereby exemplified all the best qualities in an officer in the United States Navy.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

LEVIN AMENDMENT NO. 4020

Mr. LEVIN proposed an amendment to the concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTE OF DRUG ABUSE.

(a) FINDINGS.—Congress finds the following:

(1) The National Institute on Drug Abuse (hereafter referred to in this section as ''NIDA'') a part of the National Institutes of Health (hereafter referred to in this section

as ''NIH'') supports over 85 percent of the world's drug abuse research that has totally revolutionized our understanding of addiction.

(2) One of NIDA's most significant areas of research has been the identification of the neurobiological bases of all aspects of addiction, including craving.

(3) In 1993, NIDA announced that approval had been granted by the Food and Drug Administration of a new medication for the treatment of heroin and other opiate addiction which breaks the addict of daily drug-seeking behavior and allows for greater compliance because the patient does not need to report to a clinic each day to have the medication administered.

(4) Among NIDA's most remarkable accomplishments of the past year is the successful immunization of animals against the psychostimulant effects of cocaine.

(5) NIDA has also recently announced that it is making substantial progress that is critical in directing their efforts to identify potential anti-cocaine medications. For example, NIDA researchers have recently shown that activation in the brain of one type of dopamine receptor suppresses drug-seeking behavior and relapse, whereas activation of another, triggers drug-seeking behavior.

(6) NIDA's efforts to speed up research to stem the tide of drug addiction is in the best interest of all Americans.

(7) State and local governments spend billions of dollars to incarcerate persons who commit drug related offenses.

(8) A 1992 National Report by the Bureau of Justice Statistics revealed that more than 3 out of 4 jail inmates reported drug use in their lifetime, more than 40 percent had used drugs in the month before their offense with 27 percent under the influence of drugs at the time of their offense. A significant number said they were trying to get money for drugs when they committed their crime.

(9) More than 60 percent of juveniles and young adults in State-operated juvenile institutions reported using drugs once a week or more for at least a month some time in the past, and almost 40 percent reported being under the influence of drugs at the time of their offense.

(10) This concurrent resolution proposes that budget authority for the NIH (including NIDA) be held constant at the fiscal year 1996 level of $11,950,000,000 through fiscal year 2002.

(11) At such appropriation level, it would be impossible for NIH and NIDA to maintain research momentum through research project grants.

(12) Level funding for NIH in fiscal year 1997 would reduce the number of competing research project grants by nearly 500, from 6,620 in fiscal year 1996 to approximately 6,120 competing research project grants, reducing NIH's ability to maintain research momentum and to explore new ideas in research.

(13) NIH is the world's preeminent research institution dedicated to the support of science inspired by and focused on the challenges of human illness and health.

(14) NIH programs are instrumental in improving the quality of life for Americans through improving health and reducing monetary and personal costs of illnesses.

(15) The discovery of an anti-addiction drug to block the craving of illicit addictive substances will benefit all of American society.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that amounts appropriated for the National Institutes of Health—

(1) for fiscal year 1997 should be increased by a minimum of $33,000,000;

(2) for fiscal year 1998 should be increased by a minimum of $67,000,000;

(3) for fiscal year 1999 should be increased by a minimum of $100,000,000;

(4) for fiscal year 2000 should be increased by a minimum of $100,000,000;

(5) for fiscal year 2001 should be increased by a minimum of $100,000,000;

(6) for fiscal year 2002 should be increased by a minimum of $100,000,000;

above its fiscal year 1996 appropriation for additional research into an anti-addiction drug to block the craving of illicit addictive substances.

HELMS AMENDMENT NO. 4021

Mr. DOMENICI (for Mr. HELMS) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE EXTENSION OF THE EMPLOYER EDUCATION ASSISTANCE EXCLUSION UNDER SECTION 127 OF THE INTERNAL REVENUE CODE OF 1986.

(a) FINDINGS.—The Senate finds that—

(1) since 1978, over 7,000,000 American workers have benefited from the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 by being able to improve their education and acquire new skills without having to pay taxes on the benefit;

(2) American companies have benefited by improving the education and skills of their employees who in turn can contribute more to their company;

(3) the American economy becomes more globally competitive because an educated workforce is able to produce more and to adapt more rapidly to changing technologies;

(4) American companies are experiencing unprecedented global competition and the value and necessity of life-long education for their employees has increased;

(5) the employer education assistance exclusion was first enacted in 1978;

(6) the exclusion has been extended 7 previous times;

(7) the last extension expired December 31, 1994; and

(8) the exclusion has received broad bipartisan support.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue level assumed in the Budget Resolution accommodate an extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 from January 1, 1995, through December 31, 1996.

McCAIN AMENDMENT NO. 4022

Mr. DOMENICI (for Mr. MCCAIN) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE—TRUTH IN BUDGETING.

It is the Sense of the Senate that:

(a) The Congressional Budget Office has scored revenue expected to be raised from the auction of Federal Communications Commission licenses for various services;

(b) For budget scoring purposes, the Congress has assumed that such auctions would occur in a prompt and expeditious manner and that revenue raised by such auctions would flow to the federal treasury;

(c) The Resolution assumes that the revenue to be raised from auctions totals billions of dollars;

(d) The Resolution makes assumptions that services would be auctioned where the Federal Communications Commission has not yet conducted auctions for such services, such as Local Multipoint Distribution Service (LMDS), licenses for paging services, final broadband PCS licenses, narrow band PCS licenses, licenses for unserved cellular, and Digital Audio Radio (DARS), and other subscription services, revenue from which has been assumed in Congressional budgetary calculations and in determining the level of the deficit; and

(e) The Commission's service rules can dramatically affect license values and auction revenues and therefore the Commission should act expeditiously and without further delay to conduct auctions of licenses in a manner that maximizes revenue, increases efficiency, and enhances competition for any service for which auction revenues have been scored by the Congressional Budget Office and/or counted for budgetary purposes in an Act of Congress.

FAIRCLOTH AMENDMENTS NOS. 4023–4024

Mr. DOMENICI (for Mr. FAIRCLOTH) proposed two amendments to the concurrent resolution (S. Con. Res. 57) supra; as follows:

AMENDMENT NO. 4023

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING WELFARE REFORM.

The Senate finds that—

S. Con. Res. 57 assumes substantial savings from welfare reform; and

Children born out of wedlock are five times more likely to be poor and about ten times more likely to be extremely poor and therefore are more likely to receive welfare benefits that children from two parent families; and

High rates of out-of-wedlock births are associated with a host of other social pathologies; for example, children of single mothers are twice as likely to drop out of high school; boys whose fathers are absent are more likely to engage in criminal activities; and girls in single-parent families are three times more likely to have children out of wedlock themselves; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that includes welfare reform provisions and that is agreed to by the Congress and the President shall also contain to the maximum extent possible a strategy for reducing the rate of out-of-wedlock births and encouraging family formation.

AMENDMENT NO. 4024

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING REDUCTION OF THE NATIONAL DEBT.

The Senate finds that—

S. Con. Res. 57 projects a public debt in Fiscal Year 1997 of $5,400,000,000,000;

S. Con. Res. 57 projects that the public debt will be $6,500,000,000,000 in the Fiscal Year 2002 when the budget resolution projects a unified budget surplus;

This accumulated debt represents a significant financial burden that will require excessive taxation and lost economic opportunity for future generations of the United States; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that is agreed to by the Congress and the President shall also contain a strategy for reducing the national debt of the United States.

ROTH (AND EXON) AMENDMENT NO. 4025

Mr. EXON. (for Mr. ROTH for himself and Mr. EXON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 57, supra; as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE FUNDING OF AMTRAK.

(a) FINDING.—The Senate finds that—

(1) a capital funding stream is essential to the ability of the National Rail Passenger Corporation (''Amtrak'') to reduce its dependence on Federal operating support; and

(2) Amtrak needs a secure of financing, no less favorable than provide to other modes of transportation, for capital improvements.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) revenues attributable to one-half cent per gallon of the excise taxes imposed on gasoline, special motor fuel, and diesel fuel from the Mass Transit Account should be dedicated to a new Intercity Passenger Rail Trust Fund during the period January 1, 1997, through September 30, 2001;

(2) revenues would not be deposited in the Intercity Passenger Rail Trust Fund during any fiscal year to the extent that the deposit is estimated to result in available revenues in the Mass Transit Account being insufficient to satisfy that year's estimated appropriation levels;

(3) monies in the Intercity Passenger Rail Trust Fund should be generally available to fund, on a reimbursement basis, capital expenditures incurred by Amtrak; and

(4) amounts to fund capital expenditures related to rail operations should be set aside for each State that has not had Amtrak service in such State for the preceding year.

BINGAMAN (AND OTHERS) AMENDMENT NO. 4026

Mr. DOMENICI (for Mr. BINGAMAN, for himself, Ms. SNOWE, and Mr. COHEN) proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE ECONOMIC DEVELOPMENT ADMINISTRATION PLACING HIGH PRIORITY ON MAINTAINING FIELD-BASED ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Economic Development Administration plays a crucial role in helping economically disadvantaged regions of the United States develop infrastructure that supports and promotes greater economic activity and growth, particularly in nonurban regions.

(2) The Economic Development Administration helps to promote industrial park development, business incubators, water and sewer system improvements, vocational and technical training facilities, tourism development strategies, technical assistance and capacity building for local governments, economic adjustment strategies, revolving loan funds, and other projects which the private sector has not generated or will not generate without some assistance from the Government through the Economic Development Administration.

(3) The Economic Development Administration maintains 6 regional offices which oversee staff that are designated field-based representatives of the Economic Development Administration, and these field-based representatives provide valuable expertise and counseling on economic planning and development to nonurban communities.

(4) The Economic Development Administration Regional Centers are located in the urban areas of Austin, Seattle, Denver, Atlanta, Philadelphia, and Chicago.

(5) Because of a 37-percent reduction in approved funding for salaries and expenses from fiscal year 1995, the Economic Development Administration has initiated staff reductions requiring the elimination of 8 field-based positions. The field-based economic development representative positions that are either being eliminated or not replaced after voluntary retirement and which currently interact with nonurban communities on economic development efforts cover the States of New Mexico, Arizona, Nevada, North Dakota, Oklahoma, Illinois, Indiana, Maine, Connecticut, Rhode Island, and North Carolina.

(6) These staff cutbacks will adversely affect States with very low per-capita personal income, including New Mexico which ranks 47th in the Nation in per-capita personal income, Oklahoma ranking 46th, North Dakota ranking 42nd, Arizona ranking 35th, Maine ranking 34th, and North Carolina ranking 33rd.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and reconciliations instructions underlying this budget resolution assume that—

(1) it is regrettable that the Economic Development Administration has elected to reduce field-based economic development representatives who are fulfilling the Economic Development Administration's mission of interacting with and counseling nonurban communities in economically disadvantaged regions of the United States;

(2) the Economic Development Administration should take all necessary and appropriate actions to ensure that field-based economic development representation receives high priority; and

(3) the Economic Development Administration should reconsider the planned termination of field-based economic development representatives responsible for States that are economically disadvantaged, and that this reconsideration take place without delay.

DOMENICI AMENDMENT NO. 4027

Mr. DOMENICI proposed an amendment to amendment No. 4012 proposed by Mr. SPECTER to the concurrent resolution, Senate Concurrent Resolution 57, supra; as follows:

At the appropriate places on the Harkin amendment, make the following changes:

On page 25, line 17, increase the amount by $0.

On page 25, line 18, increase the amount by $0.

On page 27, line 16, increase the amount by $300,000,000.

On page 27, line 17, increase the amount by $600,000,000.

On page 42, line 2, decrease the amount by $1,800,000,000.

On page 42, line 3, increase the amount by $700,000,000.

On page 52, line 11, decrease the amount by $0.

On page 52, line 12, decrease the amount by $0.

On page 52, line 14, increase the amount by $5,000,000,000.

On page 52, line 15, increase the amount by $1,400,000,000.

Notwithstanding any other provision of this resolution, on page 52, line 15, the amount is deemed to be $270,923,000,000.

On page 4, line 8, the amount is deemed to be $1,323,100,000,000.

On page 4, line 9, the amount is deemed to be $1,361,600,000,000.

On page 4, line 10, the amount is deemed to be $1,392,400,000,000.

On page 4, line 11, the amount is deemed to be $1,433,600,000,000.

On page 4, line 12, the amount is deemed to be $1,454,000,000,000.

On page 4, line 17, the amount is deemed to be $1,318,600,000,000.

On page 4, line 18, the amount is deemed to be $1,353,500,000,000.

On page 4, line 19, the amount is deemed to be $1,382,400,000,000.

On page 4, line 20, the amount is deemed to be $1,415,600,000,000.

On page 4, line 21, the amount is deemed to be $1,433,100,000,000.

On page 5, line 1, the amount is deemed to be $232,400,000,000.

On page 5, line 2, the amount is deemed to be $223,600,000,000.

On page 5, line 3, the amount is deemed to be $206,300,000,000.

On page 5, line 4, the amount is deemed to be $185,700,000,000.

On page 5, line 5, the amount is deemed to be $143,500,000,000.

On page 5, line 9, the amount is deemed to be $5,449,000,000,000.

On page 5, line 10, the amount is deemed to be $5,722,700,000,000.

On page 5, line 11, the amount is deemed to be $5,975,100,000,000.

On page 5, line 12, the amount is deemed to be $6,207,700,000,000.

On page 5, line 13, the amount is deemed to be $6,398,600,000,000.

On page 5, line 14, the amount is deemed to be $6,550,500,000,000.

On page 6, line 13, the amount is deemed to be $290,000,000,000.

On page 6, line 14, the amount is deemed to be $277,400,000,000.

On page 6, line 15, the amount is deemed to be $256,000,000,000.

On page 6, line 16, the amount is deemed to be $236,100,000,000.

On page 6, line 17, the amount is deemed to be $193,300,000,000.

On page 6, line 18, the amount is deemed to be $155,400,000,000.

On page 9, line 22, the amount is deemed to be $14,900,000,000.

On page 11, line 22, the amount is deemed to be $16,700,000,000.

On page 11, line 23, the amount is deemed to be $16,800,000,000.

On page 13, line 17, the amount is deemed to be $3,700,000,000.

On page 13, line 18, the amount is deemed to be $3,100,000,000.

On page 15, line 17, the amount is deemed to be $21,500,000.

On page 17, line 16, the amount is deemed to be $12,800,000,000.

On page 17, line 17, the amount is deemed to be $11,000,000,000.

On page 19, line 16, the amount is deemed to be $8,100,000,000.

On page 19, line 17, the amount is deemed to be $−2,400,000,000.

On page 21, line 16, the amount is deemed to be $42,600,000,000.

On page 21, line 17, the amount is deemed to be $39,300,000,000.

On page 23, line 15, the amount is deemed to be $9,900,000,000.

On page 23, line 16, the amount is deemed to be $10,800,000,000.

On page 29, line 10, the amount is deemed to be $193,200,000,000.

On page 29, line 11, the amount is deemed to be $191,500,000,000.

On page 31, line 3, the amount is deemed to be $232,400,000,000.

On page 31, line 4, the amount is deemed to be $240,300,000,000.
On page 38, line 8, the amount is deemed to be $13,700,000,000.
On page 39, line 25, the amount is deemed to be $282,800,000,000.
On page 40, line 1, the amount is deemed to be $282,800,000,000.
On page 40, line 7, the amount is deemed to be $289,400,000,000.
On page 40, line 8, the amount is deemed to be $289,400,000,000.
On page 40, line 14, the amount is deemed to be $293,200,000,000.
On page 40, line 15, the amount is deemed to be $293,200,000,000.
On page 40, line 21, the amount is deemed to be $294,700,000,000.
On page 40, line 22, the amount is deemed to be $294,700,000,000.
On page 41, line 3, the amount is deemed to be $298,900,000,000.
On page 41, line 4, the amount is deemed to be $298,900,000,000.
On page 41, line 10, the amount is deemed to be $303,400,000,000.
On page 41, line 11, the amount is deemed to be $303,400,000,000.
On page 41, line 17, the amount is deemed to be $348,234,000,000.
On page 41, line 18, the amount is deemed to be $351,240,000,000.
On page 41, line 19, the amount is deemed to be $348,465,000,000.
On page 41, line 20, the amount is deemed to be $349,951000,000.
On page 41, line 21, the amount is deemed to be $351,311,000,000.
On page 41, line 22, the amount is deemed to be $352,756,000,000.
On page 42, line 8, the amount is deemed to be −$200,000,000.
On page 42, line 9, the amount is deemed to be $100,000,000.
On page 42, line 15, the amount is deemed to be −$400,000,000.
On page 42, line 16, the amount is deemed to be −$300,000,000.
On page 42, line 22, the amount is deemed to be −$800,000,000.
On page 42, line 23, the amount is deemed to be −$800,000,000.
On page 43, line 5, the amount is deemed to be −$1,200,000,000.
On page 43, line 6, the amount is deemed to be −$1,100,000,000.
On page 43, line 12, the amount is deemed to be −$3,700,000,000.
On page 43, line 13, the amount is deemed to be −$3,700,000,000.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STEVENS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings regarding security in cyberspace.

This hearing will take place on Wednesday, May 22, 1996, in room 342 of the Dirksen Senate Office Building. For further information, please contact Daniel S. Gelber of the subcommittee staff at 224–9157.

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, June 6, 1996, at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 1703, a bill to amend the act establishing the National Park Foundation.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, May 21, 1996 at 8:45 a.m., in SR–332, to conduct a nomination hearing for Brooksley Born, of Washington, DC, to be Chairman of the Commodity Futures Trading Commission and to be Commissioner of the Commodity Futures Trading Commission for the remainder of the term expiring April 13, 1999 and David D. Spears, of Kansas, to be Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 2000.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, May 21, 1996, to conduct a hearing on S. 1511, the Burma Freedom and Democracy Act of 1995.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 21, 1996, at 10:00 a.m. to hold a hearing on the Role of the ABA in the Nominations Process.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate at 9:30 a.m., Tuesday, May 21, 1996, for an oversight hearing on the Corporation for National and Community Service.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, May 21, 1996 at 9:30 a.m. to hold an open hearing on intelligence matters.

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

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the Courts of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Tuesday, May 21, 1996, at 2:00 p.m., in Senate Dirksen room 226, on S. 582 and voluntary environmental audits.

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

ADDITIONAL STATEMENTS

TRIBUTE TO THE CITY OF MANCHESTER ON ITS 150TH ANNIVERSARY

Mr. SMITH. Mr. President, I rise today to pay tribute to Manchester, NH, on its 150th anniversary. On June 8, the 100,000 residents of Manchester will hold a community wide picnic to celebrate this significant milestone.

Manchester's 150 year heritage encompasses periods of growth and change including native American occupation, colonial settlement, industrial growth, and 20th century diversification. For over 10,000 years various native American groups occupied what was then known as the Merrimack River Valley. The abundance of fish and game in this area helped support these people's livelihood. By 1725, most of the native Americans inhabiting the Merrimack Valley had fled northward to escape conflict and disease brought about by European settlers that had migrated into the area.

In the early 1700's, many European settlers began to move into the Manchester area. Scottish and Irish families with expertise in flax spinning and weaving were the first group to settle around what is now known as Londonderry in 1719. In 1722, John Goffe also established the town's first water-powered mill along Cohas Brook. In 1751, the town of Derryfield, now known as Manchester, was established.

In the 1790's a man by the name of Samuel Blodget envisioned an industrialized Derryfield which could boast open trade routes with Boston to the south and Concord to the north. Consequently, he proceeded to fund the development of a canal and lock system around the Amoskeag Falls. In 1810, 3 years after Blodget's death, the residents of Derryfield voted to change

their town's name to Manchester to honor Blodget's prediction that ''a city like unto Manchester, England'' would rise because of the waterpower at the falls.

In 1831, a group of investors known as Boston Associates began manufacturing textiles by purchasing the rights to the water power at the falls and developing a plan for a major complex of mills. The execution of this plan helped foster 100 years of growth and expansion as the Amoskeag Manufacturing Co., became the largest textile producer in the world. At its peak, Amoskeag employed 17,000 workers and had over 30 major mills.

In March of 1936 Manchester experienced a disastrous flood which completely devastated the city. The determined citizens of Manchester banded together to organize Amoskeag Industries and purchased the mill complex to help rebuild Manchester. The rebuilding of Manchester gave rise to a more diversified industrial base and the emergence of a strong service economy. Through the unyielding support of Manchester's citizens, local government, and banks, the local economy was slowly reborn. The complex of mills that still stand along the Merrimack are a reminder of how Manchester once flourished in the textile industry. The citizens of Manchester still have the Yankee ingenuity and commitment to growth and industry.

Manchester's largest employers are now hospitals, universities, and technology companies. Manchester boasts a strong service and professional economy and is the largest city in New Hampshire. A combination of natural and historical spots are being developed for a potential tourism industry. The New Hampshire Heritage Trail is one of the major statewide projects. Additionally, many residents and visitors enjoy the Currier Gallery, the 883 seat Palace Theater and the Zimmerman House. These historical spots and others are quickly giving Manchester the reputation as the cultural center of the State.

The citizens of Manchester will have much to celebrate on June 8. Among other highlights, the birthday bash will include a 150-foot-long birthday cake, sand sculptures, softball tournaments, classic car shows, and even a laser-light show. The Historical Association will sponsor a kite-flying contest and the high school jazz and concert bands will perform along with the Jack Jackson Big Band. The day promises to be quite festive as many people in Manchester join in celebrating the history of the Queen City.

It is my honor to represent such a successful and thriving city in the U.S. Senate. I congratulate Manchester on the memorable occasion of its 150th birthday and wish the many residents of the city an exciting birthday celebration.

THE VERMONT TEEN PARENT LITERACY PROJECT

● Mr. LEAHY. Mr. President, I would like to take this opportunity to call attention to a unique project developed by the Vermont Council on the Humanities that was recently honored at a White House ceremony as one of the best arts and humanities programs to help at-risk youth in this country. The teen parent literacy project is simple in concept, yet it is an innovative approach to tackling complex problems that can often result from teenagers having children. Through participating in a series of free reading and discussion programs, teen parents across the State are encouraged to read to their children. This program benefits parents and children in several ways. First, parents learn the value and joy of reading to their children who are in turn, introduced to the importance of reading. Reading to children at home has proven to influence future educational success and bringing together teen parents and their children can help to cultivate a more comfortable relationship as teen parents learn to become their children's first teacher.

The teen parent literacy project has brought together members of Vermont communities who are dedicated to making this program a success for teen parents and their children. Under the leadership of Victor Swenson, the Vermont Council on the Humanities is working with the Vermont Department of Health, local libraries, and individuals from each district. It is no surprise that this program was selected as one of the very finest programs designed to improve the plight of at-risk-youth. Teaching parents to read to their children enables us to forge ahead as a literate nation. It demonstrates a commitment to our investment in our children and also in their parents, many still children themselves.

For many young parents in Vermont and throughout the United States, raising children is often met by insurmountable barriers and this program, supported by the National Endowment for the Humanities, will help them to overcome some of those hurdles. I am extremely proud of the members of the council and the participants of the program who have made this program a success.●

HONORING FBI SPECIAL AGENT ROY JOHNSON

Mr. ABRAHAM. Mr. President, I rise today to honor a brave warrior in the fight against child abduction. Special Agent Roy Johnson of the Detroit FBI Field Office is being honored today by the National Center for Missing and Exploited Children (NCMEC) for his heroic efforts in rescuing Adam and Eleazar Alvarado, aged 11 and 3, from their abductors.

Adam and Eleazar are the children of migrant farm workers from Mission, TX. They were abducted in Benton Harbor, MI, on October 14, 1995. The boys had walked to a grocery store to buy potato chips while their mother was washing clothes in a nearby laundromat. They were abducted by Boyd Dean Weekly, a convicted child molester then out on bail on charges involving the sexual abuse of an 8 year old girl.

Less than 10 days later Special Agent Johnson recovered the Alvarado children and arrested their abductor. Johnson accomplished this amazing feat by responding quickly and decisively to news of the abduction. He requested that NCMEC broadcast fax posters—in English and Spanish—of the missing children to all law enforcement agencies. Expeditiously searching out and following up on a number of leads and sightings, he concluded that the abductor was taking the children south. Special Agent Johnson then quickly and tirelessly disseminated information to all FBI field offices in the Southern United States. These efforts produced leads concerning possible sightings in Alabama, and it was concluded that Weekly was headed toward New Orleans. An FBI team set up surveillance in New Orleans' French Quarter. Soon thereafter the agents observed and arrested Weekly, who was driving a stolen car with the missing children in it.

Special Agent Johnson's hard work, working with numerous offices and agencies, tirelessly following leads, disseminating information, and coordinating efforts, should inspire us all. His example shows that children abducted by strangers can be recovered safely if the response from law enforcement officers is swift, efficient, and thorough. I would like to congratulate him on a job well done, the other three law enforcement officers being honored by NCMEC for their extraordinary service resulting in the recovery of missing children, and NCMEC for its continuing, important efforts on behalf of children.

TRIBUTE TO OUTSTANDING GIRL SCOUTS IN LOUISIANA

● Mr. BREAUX. Mr. President, today I would like to salute 10 outstanding young women who have been honored with the Girl Scout Gold Award by the Girl Scout Council of Southeast Louisiana. They are: Melanie Adams of New Orleans, Lesley Cady of Chalmette, Patricia Claverie of Avondale, Carol Cancienne of River Ridge, Janet Cummins of Metairie, Pamela James of New Orleans, Michelle O'Flynn of Metairie, Angie Raborn of Roseland, Jennifer Reites of Metairie, Jennifer Schiffman of New Orleans.

The Girl Scout Gold Award is the highest honor in U.S. Girl Scouting. It symbolizes outstanding accomplishments in the areas of leadership, community service, career planning and personal development.

To receive the award, a Girl Scout must earn four interest project patches, the Career Exploration pin, the Senior Girl Scout Leadership Award, and

the Senior Girl Scout Challenge, as well as design and implement a Girl Scout Gold Award service project. A plan for fulfilling these requirements is created by the Senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

The named Girl Scouts provided the following community services for their Gold Award projects:

Miss Cady completed a beautification project involving landscaping and painting at Carolyn Park Elementary School.

Miss Claverie produced an extensive resource guide for recycled crafts and environmental awareness.

Miss Cancienne developed a resource booklet on disability awareness including an activities box.

Miss James founded a chapter of Students Against Drunk Driving (SADD) at Benjamin Franklin High School.

Miss O'Flynn designed an equestrian competition for disabled children.

Miss Raborn educated her community about exchange student programs and her family hosted two exchange students.

Misses Adams, Cummins, Reites and Schiffman were a team for a restoration project of Storyland at City Park.

I believe these Girl Scouts should receive the public recognition due them for their significant services to their communities and to their country.●

UNNATURAL CONDITIONS SET STAGE FOR NATURAL DISASTER

● Mr. KYL. Mr. President, I ask that the following newspaper article be printed in the CONGRESSIONAL RECORD.

The article follows:

UNNATURAL CONDITIONS SET STAGE FOR NATURAL DISASTER

[From the Tribune, May 17, 1996]

(By Sherry Boss)

FLAGSTAFF—Peter Fule walks through the past and finds comfort there.

He is safe in a stand of 400-year-old ponderosas. Wildfire is unlikely to touch this 8 acres of forest north of Flagstaff. Fule and his colleagues have restored it to the way it was in 1876 in hopes of learning a lesson.

The wind is gusty here and rain a stranger—perfect conditions for a sweeping blaze like the one that ravaged 61,000 acres at Four Peaks this month.

But unlike most of Arizona's forests this one is not a tinderbox at the mercy of a cigarette butt or car engine spark, said Fule, a senior research specialist at Northern Arizona University's School of Forestry.

The grass under Fule's feet and the ample distance between trees in peace of mind.

One day in 1994, students and employees for NAU, the U.S. Forest Service and the logging industry sawed down more than 7,000 new trees in the Fort Valley Experimental Forest, short eight miles north of Flagstaff. All that remains now are the 480 pines that were standing in pre-settlement days. Workers brought the density down from more than 1,000 trees per acre to 62—closer to the way it was before cattle disturbed the forest's ecosystem.

''It was a neat feeling to see this being done and see the new forest emerging,'' Fule said.

If lightning were strike here now, short flames would creep along the forest floor. The fire would consume grass, twigs and pine needle litter. The flames would singe tree trunks, but wouldn't get hot enough to kill the towering pines. Then, when there was no grass left to burn, the flames would go out.

That's the way it was for hundreds of years. Fire was friendly to the forest, Fule said. It cleared out scraggly brush and new saplings every few years, allowing the older trees to thrive without competition for water and light.

But this is the forest of the past.

Today, national forests like Arizona's Coconino, Kaibab and Apache-Sitgreaves are much different places. They're so dense with spindly young pines, forestry experts call the cluster of trees ''dog-hair ticktets.''

Fire in those tickets equals almost certain destruction. The trees of different sizes form stair steps for the fire to climb to the largest pines.

That's why, forestry experts say, Arizona is at risk of the worst wildfires this millenium.

Never before has there been such accumulation of fire fuel. Add to that some of the driest weather in recorded history and the danger is extreme.

Years of ecological disturbance have brought the West's forests to this point, Fule said.

The trouble started in Arizona in 1883 when the transcontinental railroad was finished. The state was connected. People arrived. They brought cows.

The lush grass and wildflowers on the forest floors were perfect for grazing. Cows ate to the bare ground.

With the grass gone, the fires stopped. When pines dropped their seeds, they took root. The trees grew in thick, but not very big. There wasn't enough water for any one tree to thrive. Now, when a spark hits the thickets, the world forest is doomed.

''If a fire came through this year, this tree would almost certainly die,'' Fule said of a ponderosa that has stood for at least 300 years. ''Not only this one, but all its neighbors.''

What took hundreds of years for nature to build could be destroyed in minutes, he said.

For most of this century, the U.S. Forest Service's policy was to put out fires. Fule said. That policy interrupted nature's long-term plans, he said.

''People have always wanted to control nature and remake it for human needs and human goals,'' he said.

Years of fire suppression policy led to the devastating Lone fire at four Peaks 35 miles east of Phoenix, said Julie Stromberg, associate research professor at Arizona State University's Center for Environmental Studies. Fires have been put out as soon as they start, allowing the vegetation to accumulate.

''If you don't do frequent burns or controlled burns, you're going to have a catastrophic fire,'' Stromberg said.

The problem isn't easily solved now. It's too late to let nature take its course, Fule said. There's no choice but to put out forest fires, he said.

''If all the fire crews walked away, by tomorrow, the whole state would be in flames,'' he said.

Fule hopes the solution lies in a combination of cutting and burning.

Official will start a fire every three years in the cleared-out experimental forest to imitate the natural fire cycle that occurred between 1630 and 1876.

A similar cut-and-burn project is under way on a larger scale at Mount Turmbull on 3,700 acres north of the Grand Canyon.

But thinning out the forest is controversial. Some people are so accustomed to thick forests, they believe that's the way they should be. Some are partial to the kinds of wildlife the thickets attract, too.

But as the Lone fire proved, nature has a vengeance when it's disturbed.

''The natural area (becomes) so unnatural in its density and fuel accumulation, it begins to present a hazard,'' Fule said.●

CELEBRATING THE LIFE OF DICK CLURMAN

Mr. MOYNIHAN. Mr. President, yesterday morning, May 20, 1996, ''a gathering to celebrate the life of Dick Clurman'' took place at the Beth-El Chapel of the Temple Emanu-El in New York City. William F. Buckley, Jr. led off with a wonderfully moving tribute, which ended, ''It will require the balance of my own lifetime to requite what he gave to me.'' He was followed by Osborn Elliott, a lifelong friend and fellow journalist. There followed equally singular tributes from Harry Evans, H.D.S. Greenway, David Halberstam, Phyllis Newman, who sang a Gershwin tune, Hugh Sidey, Mike Wallace, Barbara Walters, and then the Clurman family. Rabbi Richard S. Chapin and Cantor Howard Nevison provided liturgy and liturgical music.

It was indeed a life to celebrate and to remember. I ask that Mr. Buckley's and Mr. Elliott's remarks be printed in the RECORD, along with a fine obituary by Lawrence Van Gelder which appeared in the New York Times.

The material follows:

REMARKS BY WM. F. BUCKLEY, JR. AT THE MEMORIAL SERVICE FOR RICHARD M. CLURMAN

Three years ago, one evening in July, he asked whether I'd cross the ocean again in 1995, what would have been the fifth such venture, done at five-year intervals beginning in 1975. ''I'm prepared to go,'' he told me. I suppose I smiled; it was dark on the veranda when he spoke. I told him I doubted my crew could be mobilized for one more such trip, and just the right crew was indispensable. He had done with me two Atlantic crossings, one Pacific crossing. He was an instant celebrity for his ineptitudes at sea, done in high spirit with a wonderful, persistent incomprehension of what was the job at hand. He was the object of hilarious ridicule in my son's published journal—and he loved it all, even as Christopher loved him; even when, while discoursing concentratedly on matters of state, he would drop his cigarette ash into Christopher's wine glass, or very nearly set fire in the galley when trying to light the stove. He thrived on the cheerful raillery of his companions, but on one occasion thought to say to me, in a voice unaccustomedly low, ''I'm good at other things.''

He hardly needed to remind me. Yes, and from everything he was good at he drew lessons, little maxims of professional and extra-professional life of great cumulative impact, instantly imparted to all his friends, at the least suggestion from them, or from their situation, that they needed help, or instruction. It is awesome to extrapolate from one's own experience of his goodness the sum of what he did for others.

When Oz Elliott, on Shirley's behalf, asked me to say something today I went right to my desk but I found it impossible to imagine his absence from the scene. Was it true that there would be no message from him tomorrow on our E-mail circuit? That we would

not be dining together during the week, or sharing a tenth Christmas together? In the strangest sense, the answer is No, it isn't impossible that we will continue as companions, because his companionship left indelible traces: how to work, how to read, how to love.

It came to me last Thursday when just after midnight my son reached me at the hotel, that I have always subconsciously looked out for the total Christian, and when I found him, he turned out to be a non-practicing Jew. It will require the balance of my own lifetime to requite what he gave to me.

DICK

Good morning, Shirley, and Michael, and Susan Emma, and Carol, and all you other family members and hundreds of friends who are here to rejoice in the life of that wonderful man, Dick Clurman.

I'm Oz Elliott, and Dick was my best friend.

We were close for nearly half a century.

At first, we had no choice: as young writers for Time, we were thrown together, crammed with our Royal typewriters into a tiny cubbyhole at 9 Rockefeller Plaza.

Within a year or so, we graduated to offices of our own—but by then there was no way we could really be separated. The reason was that while Dick made himself an expert in many things, his true specialty was friendship—and that came so naturally to him.

Once you were his friend, you could do no wrong. Once you were his friend, he could never do enough for you.

If you were stranded in the suburbs by a hurricane, and unable to visit your sick baby in a New York hospital, not to worry: Dick would visit that baby and report to you daily.

If you were in a panic because your child was late coming home on a dark winter evening, Dick would be there in a flash to search the neighborhood.

If you were fired from your job in mid-career, Dick would find you a new one.

If you suffered from writer's block, Dick would help you write a lead.

Dick did all these things, most of them for me.

In later years, we were fierce competitors—he stayed at Time, while I moved to Newsweek. Yet even in that head-to-head combat, whenever I faced a tough ethical decision, I would always call Dick for advice.

He was a superb journalist—ever the skeptic, never the cynic, always a stickler for precision.

One summer dawn we were out fishing together—and to our utter amazement we spotted a baby seal in Westhampton waters. Dick got on the ship-to-shore right away:

''Coast Guard, Coast Guard, this is Sundance. Over.''

''Coast Guard, Coast Guard, this is Sundance. Over.''

After repeated calls, some sleepy Coast Guardsman answered:

''Sundance this is Coast Guard. Over.''

''Coast Guard, we have located a seal—that's a Sugar-Easy-Able-Love,'' said Dick. ''Is that of any interest to you?''

''A what?

''That's a seal,'' Dick said, ''a Sugar—Easy—Able—Love.''

''You mean the animal?'' asked the bewildered Coast Guardsman.

''That's the mammal,'' Dick responded.

He was precise, and caring, and incredibly well organized. The other day, as some of us were helping Shirley—manning the phones, calling friends, informing the press, planning this morning's service, Michael said it all:

''Where is Dick Clurman when we need him most?''

My best friend.

[From the New York Times, May 17, 1996]

RICHARD M. CLURMAN, A LEADING EDITOR AT TIME, DIES AT 72

(By Lawrence Van Gelder)

Richard M. Clurman, whose passion for journalism brought him to prominence at Time magazine and Newsday and whose passion for New York City made him a leading figure in its cultural affairs, died on Wednesday at his summer home in Quogue, L.I. Mr. Clurman, who lived on the Upper East Side of Manhattan, was 72.

The cause was a heart attack, according to his wife, Shirley.

In a career at Time that spanned 23 years, Mr. Clurman held such posts as press editor, chief of correspondents and head of the Time-Life News Service, overseeing a network of 105 staff correspondents deployed throughout the United States and in 34 cities abroad.

From 1955 to 1958, he interrupted his tenure at Time, which began in 1949 and ended in 1972, to become the editorial director and executive assistant to Alicia Patterson, the publisher of Newsday.

In 1973, he became administrator of Parks, Recreation and Cultural Affairs for Mayor John V. Lindsay. Mr. Clurman was also chairman of the New York City Center and a member of the board of Lincoln Center for the Performing Arts.

His commitment to journalism and his fascination with its practices and lore led him to write several books, including ''Beyond Malice: The Media's Years of Reckoning,'' a 1988 analysis of the clash between the public and the press, and ''To the End of Time: The Seduction and Conquest of the World's Largest Media Empires,'' a 1992 account of the merger between Time Inc. and Warner Communications.

Toward the end of the book, Mr. Clurman wondered if Time's objective of adding ''to the quality of knowledge people had about the world'' would survive what he called the cultural gap between the corporations.

''No one should ask that benevolence be the priority of Time Warner or any other public company,'' he wrote. ''What can be asked is that this new company, with its human and material assets, have a spine that is more than stocks, bonds, rights, deals and tightly rolled greenbacks.''

At the time is his death, Mr. Clurman was at work on a book about The Wall Street Journal.

As sophisticated and accomplished as he was in journalism, Mr. Clurman adopted a self-deprecating attitude toward his activities in other realms. When named board chairman of the New York City Center of Music and Drama in 1968, Mr. Clurman said; ''The suggestion came out of the blue. For 44 years I've done nothing outside of journalism. I haven't even belonged to the P.T.A. or the Red Cross.

''At first I thought they were seeking my advice about someone else and then I thought they'd confused me with Harold,'' he said, referring to his uncle, the critic and director Harold Clurman. ''I am neither an impresario nor a tycoon, and impresarios and tycoons are often the moving spirit behind cultural organizations of this sort.''

But within a few years, he was being credited with expanding the activities of the City Center.

Mayor Lindsay, who was president of the center and leader of its selection committee, clearly valued the fresh eye Mr. Clurman brought to the center and to his post as Parks Commissioner.

There, Mr. Clurman touched off an immediate furor by declaring at his swearing-in ceremony that he would withdraw all maintenance and services from parks that were repeatedly vandalized and where the community made no effort to halt the destruction.

He took pride in coming in the inner workings of the city as an outsider unwise to the way to political patronage.

''In the world I came from, I had only dispensed jobs on merit,'' he wrote in 1974 in the New York Times. ''So I set about hiring, firing and moving people on the basis of what I thought the parks administration needed. Mr. Lindsay was so bemused by my political innocence that neither he nor his staff ever suggested I do it any other way. The club house politicians, whose names I eventually learned but from whom I never heard a word, either considered me so ignorant or so temporary as to be unworthy of their presumed power.''

In another article, he recalled his introduction to George Balanchine and Lincoln Kirstein of the New York City Ballet in his capacity as chairman of the board of the ballet company and its parent organization, the New York City Center of Music and Drama.

''I informed them that although I appreciated the other arts and was certainly informed about world affairs, I had been to the ballet only once in my life,'' he wrote. ''Balanchine half rose from his chair and asked incredulously, 'Do you hate the ballet?'

'' 'Not that I'm aware of,' I replied, 'but if I were you, I'd make something of how seldom I've gone.' ''

Balanchine asked, ''Would you open your mind to learning about the ballet?'' and, Mr. Clurman wrote, ''promptly made an offer that only a dolt could refuse: 'I would like to teach you about it.' ''

Mr. Clurman suggested that he prescribe a bibliography and a list of people to talk to, his usual mode of inquiry and learning as a journalist. ''No, just watch and listen,'' Balanchine said. He produced a program and listed seven or eight ballets. For six weeks, Mr. Clurman said, he tried to figure out what was going on.

''Then one night in the middle of Balanchine's pioneering 'Agon,' I had the epiphany that my teacher had so artfully arranged. Nothing was going on. It was just bodies moving gloriously to music. From that moment, the ballet became my favorite spectator experience.''

In 1975, after he left Time and municipal administration, Mr. Clurman formed his own public policy consulting company, Richard M. Clurman Associates. From 1980 to 1984, he also served as adviser to the office of the chairman of Joseph E. Seagram & Sons. In 1981, he returned to journalism, serving for a decade as the chairman of Columbia University's seminars on media and society.

Engaged with ideas, Mr. Clurman was noted for dinner parties at which he would tap a spoon against a glass, commanding the attention of his guests—people like Robert F. Kennedy, William Buckley, Edward Albee, Barbra Streisand and Norman Podhoretz—and announce a topic they were expected to discuss.

''I refused to be bored,'' he said.

Mr. Clurman was a member of the Council on Foreign Relations and of the board of the Citizens Committee for New York City.

He was born in New York City in 1924. He received a Bachelor's of Philosophy degree in political science from the University of Chicago in 1946 after serving during World War II in the Information and Education Division of the Army. He began his career in journalism in 1946 as an assistant editor on the magazine Commentary. After joining Time in 1949, he served for six years as its press editor.

In addition to his wife, the former Shirley Potash, Mr. Clurman is survived by his son,

R. Michael Clurman Jr. of Manhattan; two daughters by a previous marriage, which ended in divorce: Susan Emma Clurman of Manhattan and Carol Duning of Alexandria, Va., and two grandchildren.●

SHERIFF HENRY HEALEY

● Mr. DODD. Mr. President, I wanted to take a few moments today to speak about the passing of a distinguished citizen of Connecticut and a great American—Henry Healey, Jr.

At the time of his death, Henry Healey was the high sheriff of New Haven County. But his legacy was far greater. He was a WWII veteran, a successful businessman, a dedicated member of the Democratic Party, and a close and dear friend.

I first got to know Henry Healey because of his relationship with my father, Senator Thomas Dodd. And later, when I decided to leave the House of Representatives and make my own run for the U.S. Senate it was from Henry Healey that I sought counsel.

His advice then, as it was every time I spoke to him, helped to guide me in my decision-making process. Because, Henry was a man of great wisdom and shrewd understanding of political history.

Like few men I've known, Henry was endowed with a vision that allowed him to presciently see beyond the political machinations of the day to the long-term political currents of the future.

It's one of the main reasons why Henry was probably one of the three or four most influential people in the past 30 years of Connecticut political history.

But of course there was more to Henry then just his political acumen. He was a man of great loyalty and understanding, who knew how to accomplish things without being flamboyant or self-serving.

He wasn't a great ideologue or a firebrand. He was more interested in people's human skills and their ability to work with others.

I think his chief deputy sheriff, Frank Kinney, Jr., said it best: ''People with problems in their lives could always open up to him and he never failed to respond, to do what he could for them. That's what I learned from him, and that's what I admired most about him.''

And in his official role as New Haven County sheriff, Henry Healey turned what had been a largely administrative position into a bully pulpit for drug education, crime prevention, and charity.

And he was recognized across the country for his innovations in law enforcement. He was one of the first officials in America to advocate neighborhood block watch programs. He was a strong voice in the fight against substance abuse in New Haven County schools. And he was recognized by his peers, when he was appointed president of the National Sheriffs Association, in the late 1980s.

But, Henry Healey was also a man of great personal charity. His New Haven scholarship fund helped give hundreds of Connecticut children the opportunity to seek higher education. And, he made it a regular practice of hiring ex-convicts for his car dealerships. In addition, he ended the practice of serving eviction notices at Christmas.

This charity was certainly smart politics for an elected official. It was no accident that if you had hopes of a career in politics in Connecticut, it was a good idea to stay on the right side of Henry.

But, it also reflected Henry's integrity as a public servant and as a man. He was a throwback to an earlier, simpler age in American politics and he will be dearly missed by the residents of New Haven County and the State of Connecticut.

My thoughts and prayers are with his wife Jean and his children Patrick, Henry Bryan, Michael, Constance, Christina, and Irene.●

ADJUSTING THE CONSUMER PRICE INDEX

● Mr. MOYNIHAN. Mr. President, a number of careful statements have been made on the floor yesterday and today concerning the use of the Consumer Price Index [CPI] as a proxy for measuring changes in the cost of living. As we all surely know, the Bureau of Labor Statistics [BLS] is insistent that the CPI is not a cost of living index: never has been; cannot be. It would be more than a third of a century ago that I became Assistant Secretary of Labor in the Kennedy administration. In that role, I had nominal supervision of the Bureau, and I attest that this was fully understood at that time, well before the CPI began to be used as it is today as an index for various entitlement programs and tax schedules.

The question has been properly raised as to whether economists are in general agreement that the CPI overstates inflation. My distinguished friend from North Dakota, Senator CONRAD, described the near unanimous testimony of a panel of economists that testified before the Senate Committee on Finance to this effect. I would draw the attention of the Senate to the fact that well before the Finance Committee established the Boskin commission to enquire into this matter, the subject was under consideration in the Office of Management and Budget. Specifically, a memorandum of October 3, 1994, sets forth the matter in specific terms.

I ask that portions of that memorandum be printed in the RECORD.

The material follows:

OCTOBER 3, 1994.

From: Alice M. Rivlin.

Subject: Big Choices.

When we met in August, we noted that it was time for a serious discussion of the budget and economic agenda for 1995 and 1996. Decisions must be made soon about the policies to be articulated in the FY 1996 budget, the State of the Union, and our response to the Kerrey-Danforth Commission report. These policies and the message they contain are crucial to the record we will run on in 1996.

Illustrative entitlement options

Options	*5-yr savings (S B)*
COLA reduction:	
CPI minus 0.5 ''technical'' reform (CPI may be overstated by 0.4% to 1.5%)	33
Eliminate COLAs for one year	55
CPI minus 2 for five years	109●

THE VOID IN MORAL LEADERSHIP—PART IX

Mr. GRASSLEY. Mr. President, last Sunday marked the third anniversary of the firings of the Travelgate Seven from the White House travel office. That is 3 years of the Federal Government harassing these innocent public servants, and their families, and the harassment continues as I speak. This is a story of an abuse of power by the new occupants of the White House, back on May 19, 1993.

The Clinton White House used the full powers of the Federal Government to fire these seven loyal workers, destroy their reputations, deplete their bank accounts, steal their dignity, and cause great suffering for their families.

I wonder how many Americans have been the target of an abusive Washington bureaucracy—like the IRS.

Or how about when four Federal agencies fight over the right to tell a farmer how to use land that his family has been farming for three generations.

And how many small businesses have been harassed by OSHA or EPA?

Untold numbers of citizens across this land have been harassed and abused by the Federal Government. Hard-working families try to play by the rules. Next thing they know, they are unfair targets of zealous Washington bureaucrats who are out of control.

Mr. President, no hard-working, honest citizen should have to go through such an ordeal. It is unjust and unfair. Government is supposed to promote justice and fairness, but Washington turns these principles upside down.

There are many examples of bureaucracies harassing citizens; but there are few examples of Washington putting the full force of its powers against decent, hard-working families. The case of the Travelgate Seven is one such example. For them, the harassment was many times greater than what most citizens have endured. These seven provided a service for the President and the press corps in the interest of open government. Their bosses were seven previous Presidents and the American taxpayers. But cronies of President Clinton, infatuated with newly derived power, coveted the business for themselves.

The only barriers to themselves and a lucrative business were these seven loyal workers, so the cronies went on the attack. First, they spread false allegations against the seven workers, accusing them of mismanagement and embezzlement. This led to their firings by the President.

When there was a public backlash, the White House damage-control operation went into full gear. The White House publicly smeared the reputations of the workers with all the false charges. The workers and their families were publicly humiliated. Next, to justify the false charges, the White House then unleashed the FBI and the IRS on them. Finally, the Justice Department prosecuted them on trumped up charges.

Nearly 3 years and hundreds of thousands of dollars later, a jury acquitted the fall guy and scapegoat of the White House offensive, Billy Dale. They acquitted him in less than 2 hours.

There can be no doubt that this case was a miscarriage of justice, no doubt that these seven workers were unjustly and unfairly persecuted. And no doubt that the President made a mistake in firing them. Yet, the President has failed to own up. He has failed to take responsibility for their firings and their continued harassment.

There is lots of finger-pointing and blaming going on at the White House, but no one will stand up and take responsibility for what happened. That is usually the sign of failed moral leadership. The leader in the White House—the President—will not take responsibility for the unwarranted firings at the behest of cronies and then, he will not seek accountability for whoever unleashed the powers of the Federal Government to harass the Travelgate Seven.

Mr. President, is it unfair to ask the President to take responsibility for his actions? Is it unfair to hold accountable those zealots on his staff that unjustly unleashed the FBI, the IRS, and the Justice Department on these innocent employees? Is it unfair that the President should admit that he made a serious mistake?

Instead of considering these questions, the President has sent his lieutenants out to again harass these former workers. The House of Representatives earlier this year voted overwhelmingly to provide legal expenses for the Travelgate Seven. It had bipartisan support. But when the bill came to the Senate, it was ambushed by Clinton loyalists. They were afraid of the embarrassment it would cause the President to have to sign such a bill that would prove he had made a serious mistake. Rather than face the music, the President sent out his lieutenants to block the bill in the Senate. They succeeded. The minority leader succeeded in using the Senate procedures to block consideration of the bill that would make these seven families economically whole, and put the ordeal behind them—not psychologically whole, not their reputations whole, not their dignity whole, not their pain and suffering whole, just their expenses—the least of what should be restored.

The President's lieutenants—the Democrats in this body—shot the bill down. It was pure and simple legislative harassment. That was on May 7. And so, the harassment continues. It is simply not right. It is not fair. And they need to be held accountable.

Mr. President, is it fair for these Democrats to not do the right thing just to save the President from embarrassment? I will let the American people answer that question. Perhaps they will call the office of their Senator.

Tell the Democrats to stop playing politics with the Billy Dale bill. After all, they voted 52 to 44 on May 7 to block the Billy Dale bill.

Mr. President, the bottom line of this story, and of the record of this President, is the absence of moral leadership. A President—a leader—who fails to take responsibility for his actions; who allows cronies to run roughshod over innocent employees; who allows his staff to violate the civil rights of these workers; who lets his staff unleash the powers of the Federal Government against innocent families; who fails to seek accountability for those who did the unleashing; and who covers it all up by claiming executive privilege—in light of all this, can we truly call this President a leader?

He has failed to set the proper example for the country. He has failed to set an example for the people he serves—the American people. He has failed to set an example for his own staff. And, he has failed to set an example for the seven fired workers and their families. Rather than face the music, the President has his lieutenants do his dirty work in the darkness of night, and in the Democratic cloak room, all to avoid the embarrassment of his mistakes.

In the coming weeks, the Billy Dale bill will be brought to the floor again—this bill to restore hope and dignity for these families. I call upon the American people to not allow this injustice to stand. Make the Senate Democrats do the right thing. Make them support the Billy Dale bill. This morning's Washington Post editorializes on this matter. The editorial is entitled, ''Another Travel Office Travesty.'' It says, get politics out of the way and pass this bill. I agree, Mr. President. I urge my Democratic colleagues to get out of the way. I ask unanimous consent that the Post editorial be printed in the RECORD and I yield the floor.

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

[From the Washington Post, May 21, 1996]

ANOTHER TRAVEL OFFICE TRAVESTY

Why are some people in Congress maneuvering to keep that institution from making right some of the wrongs done to fired White House travel office employees? Nothing the Congress can enact will make up for the damage done to the reputations of these workers. But fooling with them the way they are is simply wrong.

The travel office fiasco should have been resolved days ago. Billy Dale and his six travel office colleagues were summarily dismissed from their jobs in 1993 for the shakiest of reasons. They were summarily told to vacate their offices by the incoming Clinton White House and publicly smeared with charges that they had engaged in wrongdoing. White House staff that had an interest in taking over the travel office even helped to concoct the allegations. The reputations of the fired travel office employees were unfairly damaged, and Mr. Dale in particular was made to undergo a painful and costly ordeal before he was exonerated by a jury.

All of the fired employees incurred legal expenses in connection with criminal probes launched against them following their discharge. Mr. Dale bore $500,000, the lion's share, but no ex-travel office employee escaped without a crushing debt burden. The others incurred about $200,000 themselves. So to undo at least some of the damage, legislation was introduced in Congress to reimburse them for some of the costs of defending themselves. The House passed the bill by an overwhelming 350 to 43 vote. President Clinton says he will sign it. Sen. Orrin Hatch has introduced the bill in the Senate.

But Senate Democrats have been blocking action on the Hatch measure because they want a vote on the minimum wage increase and can't get one. To make matters worse, the Dale bill was amended by Bob Dole to include the Republican gas-tax repealer. Hence, Bill Dale et al. are now part of the Senate's five-car pile-up, the rest of which includes the minimum wage boost, gas tax cut, taxpayer bill of rights, and the T.E.A.M. measure.

Mr. Dale and the former travel office employees, having taken shots from the White House and lost much in the process, are now caught in another political crossfire. The people holding up action on the reimbursement of the misused travel office employees should back off. The time has come to rectify a wrong.

Mr. GRASSLEY. 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.

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

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRASSLEY. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on today's Executive Calendar, Calender No. 594. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, that any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

ARMY

The following United States Army National Guard officers for promotion in the Reserve of the Army to the grades indicated

under title 10, U.S.C. section 3385, 3392 and 12203(a):

To be major general

Brig. Gen. Jerome J. Berard, 000–00–0000
Brig. Gen. James W. Emerson, 000–00–0000
Brig. Gen. Rodney R. Hannula, 000–00–0000
Brig. Gen. James W. MacVay, 000–00–0000
Brig. Gen. James D. Polk, 000–00–0000

To be brigadier general

Col. Earl L. Adams, 000–00–0000
Col. H. Steven Blum, 000–00–0000
Col. Harry B. Burchstead, Jr., 000–00–0000
Col. Larry K. Eckles, 000–00–0000
Col. William L. Freeman, 000–00–0000
Col. Gus L. Hargett, Jr., 000–00–0000
Col. Allen R. Leppink, 000–00–0000
Col. Jacob Lestenkof, 000–00–0000
Col. Joseph T. Murphy, 000–00–0000
Col. Larry G. Powell, 000–00–0000
Col. Roger C. Schultz, 000–00–0000
Col. Michael L. Seely, 000–00–0000
Col. Larry W. Shellito, 000–00–0000
Col. Gary G. Simmons, 000–00–0000
Col. Nicholas P. Sipe, 000–00–0000
Col. George S. Walker, 000–00–0000
Col. Larry Ware, 000–00–0000
Col. Jackie D. Wood, 000–00–0000

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

HATE CRIMES STATISTICS ACT AMENDMENTS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 384, S. 1624.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1624) to reauthorize the Hate Crimes Statistics Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATCH. Mr. President, I wish to express my appreciation to the Senate for its swift action in passing S. 1624, which permanently reauthorizes the Hate Crime Statistics Act.

The people of my State of Utah, and of all of our States, have a stake in this legislation, because any of our citizens can fall prey to a hate crime. Every crime, of course, is a terrible event. But the hate crime is of a particularly insidious nature. It splits the individual victim apart from his or her neighbors and community. It isolates the victim because of who he or she is. The hate crime emphasizes the differences, not as the strengths they are in this diverse country, but as a means of dividing American from American. It submerges the common humanity of all peoples. All real Americans condemn these vile crimes without hesitation or reservation.

Under the Hate Crime Statistics Act, the Attorney General is required to collect data ''about crimes that manifest evidence of prejudice based on race, religion, disability, sexual orientation, or ethnicity. . . .'' The act has resulted in the creation of a Federal data base on bias-motivated criminal acts. In addition, it has served as a catalyst for an FBI effort to train State and local law enforcement officials about hate crimes. Collection of this data can help alert local communities and their law enforcement agencies to any pattern of hate crimes in their neighborhoods. It can also help spur educational efforts aimed at enhancing goodwill in our communities. The Hate Crime Statistics Act has proven its value, and has earned the permanent reauthorization that the Senate has now approved.

I wish to commend my friend and distinguished colleague, Senator SIMON, for his work on this issue. Without his tireless efforts, there would have been no Hate Crime Statistics Act of 1990, and no reauthorization of the act this year. I also wish to commend his chief counsel, Susan Kaplan, for her work on this law over several years.

Mr. SIMON. Mr. President, I am pleased that today the Senate will pass S. 1624, a bill to reauthorize and provide a permanent mandate for the Hate Crimes Statistics Act. I would like to thank Chairman HATCH for his leadership on this important issue, as well as my 51 colleagues who cosponsored this measure. In addition to its strong bipartisan support in the Senate, this bill also has the strong support of Attorney General Reno, as well as the endorsement of major law enforcement and advocacy groups.

The Hate Crimes Statistics Act, which passed the Senate in 1990 by a vote of 92 to 4 and was signed into law by then President Bush, requires the Justice Department to collect data on crimes that show evidence of prejudice based on race, religion, ethnicity, or sexual orientation. Until this Act was passed, no Federal records of such crimes were maintained. This lack of information made it difficult to determine whether a particular crime was an isolated incident, or part of a continuing series against a particular group.

The act has proven successful in its initial purpose—the creation of data collection—and has also served as a catalyst for an FBI effort to train State and local law enforcement officials about hate crimes. Hearings held before the Senate Judiciary Committee's Subcommittee on the Constitution in 1992 and 1994 showed that one of the prime benefits of the act is that it has helped dramatically increase the awareness and sensitivity of the police about hate crimes. Not only do victims of hate crimes benefit from a more informed police force, but greater police awareness encourages others to report hate crimes.

Since all data submission under the act is voluntary, we did not anticipate 100 percent participation by State and local law enforcement agencies from the start. Nonetheless, over the course of 4 years, there has been great progress in participation levels. In 1991, 2,771 law enforcement agencies participated in the voluntary reporting program. In 1994, more than 7,200 agencies participated. Local police, advocacy groups, mayors, and others have joined the effort to encourage every law enforcement agency to comply, and as more and more local agencies participate, the statistics will be more and more useful to identify trends and formulate responses. In addition, the FBI is in the process of working with States to upgrade their computer systems. When this transition is complete, the data should be even more useful. Unfortunately, there are still law enforcement agencies in some States and many large cities which are not yet participating in the data collection. We need active oversight of this act to ensure that these agencies join in this important effort, making the statistics more accurate and useful.

FBI Director Louis Freeh has stated that he is committed to the continued tracking of hate crimes statistics. However, we believe that this effort has proven its usefulness and deserves a permanent mandate. Collecting such data will not erase bigotry. It will, however, be a valuable tool in the fight against prejudice.

Obviously, the FBI statistics do not yet accurately reflect the level of violence motivated by prejudice in our society. We need only read the headlines and reports by advocacy groups to see how widespread the problem of hate crimes remains in our Nation.

The Justice Department recently launched a civil rights probe into a rash of arson which has destroyed at least 23 black churches in the South since 1993. The Justice Department is trying to determine whether the crimes are racially motivated, and whether they are connected. Several of the incidents have been solved, however, and clearly racism motivated the offenders. The teenagers found guilty of burning a church in Mississippi in 1993 shouted racial epithets during commission of their crime. Racist graffiti was spray-painted on the walls of a Knoxville, TN Baptist church set afire on January 8, 1996. Sumter County Circuit Court Judge Eddie Hardaway, a black judge who sent two white men to jail for vandalizing black churches, was recently the victim of a shotgun attack which shattered bedroom windows in his home. During the 1960's civil rights movement, many black churches were set ablaze, however in the late 1980's and early 1990's only one or two such crimes were reported each year. This recent string of arson reminds us that prejudice and hate crimes remain a problem in our Nation.

Recent reports by private groups, such as the Anti-Defamation League, the National Coalition on Anti-Violence Projects, and the National Asian Pacific American Legal Consortium, confirm that unfortunately the problem of crimes based on prejudice continues. The ADL's 1995 annual audit of

anti-Semitic incidents actually had some good news: the 1,843 anti-Semitic incidents reported to the Anti-Defamation League in 1995 represented a decrease of 223 incidents, or 11 percent, from the 1994 total of 2,066. This is the largest decline in 10 years. However, this good news is tempered by the seriousness of many of the incidents reported. For the fifth straight year in a row, acts of anti-Semitic harassment against individuals outnumber incidents of vandalism against institutions and other property.

The National Coalition of Anti-Violence Projects and New York City Gay and Lesbian Anti-Violence Project report similar findings for 1995. There were fewer incidents of violence against homosexuals in 1995, but the incidents were more violent. There was an 8 percent drop in the number of incidents, but a 10 percent increase in the number of assaults and rapes.

We need to realize that the name-calling, the graffiti, the discrimination, and the threats and violence are all signs of a pervasive problem. The more informed we are about the scope and nature of our communities' problems with hate crimes, the better able we will be to develop effective prevention and prosecution strategies, as well as support structures for victims of these crimes.

I am pleased to join with Senator HATCH today to express our gratitude to our colleagues, the Attorney General, law enforcement and advocacy groups across the Nation who helped us to pass this important legislation and urge our friends in the House to move quickly to pass this as well.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (S. 1624) was deemed read the third time and passed, as follows:

S. 1624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION.

The first section of the Hate Crime Statistics Act (28 U.S.C. 534 note) is amended—

(1) in subsection (b), by striking ''for the calendar year 1990 and each of the succeeding 4 calendar years'' and inserting ''for each calendar year''; and

(2) in subsection (c), by striking ''through fiscal year 1994''.

REAUTHORIZING THE COASTAL ZONE MANAGEMENT ACT OF 1972

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 1965 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1965) to reauthorize the Coastal Zone Management Act of 1972, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, I support Senate passage of H.R. 1965, a bill to reauthorize the Coastal Zone Management Act [CZMA] through fiscal year 1999. H.R. 1965 is similar to section 205 of S. 1142, a bill that Senators PRESSLER, HOLLINGS, BURNS, BREAUX, and I have sponsored to reauthorize the activities of the National Oceanic and Atmospheric Administration. Our bill has been reported by the Senate Commerce Committee, but has not yet been brought before the full Senate.

The CZMA was enacted in 1972 to, among other things, provide grants to States as an incentive to develop Federally approved coastal zone management [CZM] plans. CZM plans are intended to help plan for development in, and protect, coastal areas. Twenty-four coastal States and five island territories now have Federally approved CZM plans. Alaska, which has over half the coastline of the United States, has had a CZM plan in place since 1979. Of the seven eligible coastal States and territories that do not yet have approved CZM plans, five—Georgia, Minnesota, Ohio, Texas and Indiana—are in the process of developing plans.

In fiscal year 1995 and fiscal year 1996, the States and territories with approved CZM plans received appropriations totalling $45.5 million and $46.2 million, respectively. H.R. 1965 authorizes appropriations through fiscal year 1999 with modest growth to these amounts, at roughly the same levels as S. 1142. The bill also reauthorizes grants for States to develop CZM plans, increasing the amounts that may be received, but ending the development grants program after October 1, 1999.

H.R. 1965 includes an amendment to prevent the Secretary of Commerce from delaying the issuance of permits. Section 307 of the CZMA requires federal activities—including private activities that require a Federal permit, and federal assistance to State and local governments—to be consistent with the State's CZM plan. Applicants for Federal permits—including permits to explore, develop or produce oil in areas leased under the Outer Continental Shelf Lands Act [OCSLA]—are required to certify that the activity is consistent with the State's CZM plan before the Federal permit can be issued. States must concur with the certification, but applicants may appeal the State's decision to the Secretary of Commerce. Section 8 of H.R. 1965 requires the Secretary to publish a notice when the record for any appeal has ended, and to make a decision on the appeal within 90 days—with a possible extension of 45 days. This would prevent the Secretary from simply refusing to make a decision on an appeal.

H.R. 1965 does not reauthorize funds for the Secretary of Commerce and Administrator of the Environmental Protection Agency to enforce the section of law passed in 1990 to require States with CZM plans to prepare ''coastal nonpoint pollution control programs,'' and also does not reauthorize grants to States to prepare those programs.

I encourage other Members of the Senate to support Senate passage of H.R. 1965.

Mr. HOLLINGS. Mr. President, I rise to voice my support for passage of H.R. 1965, a bill to reauthorize the Coastal Zone Management Act [CZMA] for the fiscal years 1997, 1998, 1999. This language is similar to language contained in S. 1142, the National Oceanic and Atmospheric Administration authorization bill, which the Commerce Committee reported favorably late last session.

In 1969, the Commission on Marine Science, Engineering and Resources—the—Stratton Commission—recommended that:

A Coastal Zone Management Act be enacted which will provide policy objectives for the coastal zone and authorize federal grants-in-aid to facilitate the establishment of State Coastal Zone Authorities empowered to manage the coastal waters and adjacent land.

In response to this recommendation, Congress in 1972 enacted coastal zone management legislation to balance coastal development and preservation needs. To encourage State participation, the CZMA established a voluntary, two-stage, State assistance program. The first stage involves the award of section 305 grants to coastal States for development of coastal management programs meeting certain Federal requirements. State programs which were judged by the Secretary of Commerce to meet those requirements received Federal approval and became eligible for the second stage of grants. This second stage, under section 306, provides ongoing assistance for States to implement their federally approved coastal programs. All grants require equal matching funds from the State. Since passage of the CZMA, all 34 eligible State and territories have participated in the program to some degree. Of the original 34 participants, 29—24 States and five territories—currently have programs which have achieved federally approved status. Only five States are not actively participating in the program: Georgia, Texas, Indiana, Minnesota, and Ohio. Considering the 29 programs for which Federal approval has been attained, the national CZM network covers in excess of 93 percent of the Nation's marine and Great Lakes coastline.

The nature and structure of CZM programs vary widely from State to State. This diversity was intended by Congress. Some States, like North Carolina, passed comprehensive legislation as a framework for coastal management. Other States, like Oregon, used existing land use legislation as the

foundation for their federally approved programs. Finally, States like Florida and Massachusetts networked existing, single-purpose laws into a comprehensive umbrella for coastal management. The national program, therefore, is founded in the authorities and powers of the coastal States and local governments. Through the CZMA, these collective authorities are orchestrated to serve the ''national interest in effective management, beneficial use, protection, and development of the coastal zone.'' This 24-year program is a success story of how the local, State, and Federal Government can work together for the benefit of all who enjoy and rely on our coastal resources. H.R. 1965 is a simple 3-year reauthorization of a program that works well.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (H.R. 1965) was deemed read the third time and passed.

MEASURE READ FOR THE FIRST TIME—S. 1788

Mr. GRASSLEY. Mr. President, I understand that S. 1788, introduced today by Senator FAIRCLOTH, is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1788) to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes.

Mr. GRASSLEY. Mr. President, I now ask for its second reading, and since there is no Member of the minority party present, I object to my own request on behalf of the minority Members.

The PRESIDING OFFICER. Objection is heard.

ORDERS FOR WEDNESDAY, MAY 22, 1996

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:15 a.m., on Wednesday, May 22, further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the Senate then resume consideration of Senate Concurrent Resolution 57; I further ask unanimous consent that the Senate then proceed to vote on or in relation to the pending amendments to the budget resolution in the order in which the amendment was offered, that each rollcall after the first vote be limited to 10 minutes in length, and that there be 1 minute for debate equally divided prior to each vote for a brief explanation of each amendment; and I finally ask unanimous consent that any second-degree amendment, if offered, be limited to 1 minute of debate equally divided as well.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that with respect to the Chafee bipartisan amendment No. 4018, that there be 5 minutes of debate to be equally divided in the usual form.

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

PROGRAM

Mr. GRASSLEY. Mr. President, tomorrow morning at 9:15 a.m., the Senate will begin a series of rollcall votes on or in relation to the amendments to the budget resolution. That series of votes is expected to continue throughout the day in an attempt to complete action on the budget early Wednesday evening. All Senators are asked to remain in or around the Senate Chamber during Wednesday's session in order to facilitate the numerous votes. As a reminder, all votes following the first will be limited to 10 minutes in length.

ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. GRASSLEY. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

Thereupon, the Senate, at 6:21 p.m., adjourned until Wednesday, May 22, 1996, at 9:15 a.m.

CONFIRMATIONS

Executive nomination confirmed by the Senate May 21, 1996:

IN THE ARMY

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3385, 3392 AND 12203(A):

To be major general

BRIG. GEN. JEROME J. BERARD, 000–00–0000.
BRIG. GEN. JAMES W. EMERSON, 000–00–0000.
BRIG. GEN. RODNEY R. HANNULA, 000–00–0000.
BRIG. GEN. JAMES W. MAC VAY, 000–00–0000.
BRIG. GEN. JAMES D. POLK, 000–00–0000.

To be brigadier general

COL. EARL L. ADAMS, 000–00–0000.
COL. H. STEVEN BLUM, 000–00–0000.
COL. HARRY B. BURCHSTEAD, JR., 000–00–0000.
COL. LARRY K. ECKLES, 000–00–0000.
COL. WILLIAM L. FREEMAN, 000–00–0000.
COL. GUS L. HARGETT, JR., 000–00–0000.
COL. ALLEN R. LEPPINK, 000–00–0000.
COL. JACOB LESTENKOF, 000–00–0000.
COL. JOSEPH T. MURPH7, 000–00–0000.
COL. LARRY G. POWELL, 000–00–0000.
COL. ROGER C. SCHULTZ, 000–00–0000.
COL. MICHAEL L. SEELY, 000–00–0000.
COL. LARRY W. SHELLITO, 000–00–0000.
COL. GARY G. SIMMONS, 000–00–0000.
COL. NICHOLAS P. SIPE, 000–00–0000.
COL. GEORGE S. WALKER, 000–00–0000.
COL. LARRY WARE, 000–00–0000.
COL. JACKIE D. WOOD, 000–00–0000.