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Senate

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

PRAYER

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

Almighty God, ultimate judge of our lives, in this moment of quiet reflection, we hold up our motives for Your review. We want to be totally honest with You and with ourselves about what really motivates our decisions, words, and actions. Sometimes we want You to approve of motives that we have not reviewed in the light of Your righteousness, justice, and love. There are times we are driven by self-serving motives that contradict our better nature. Most serious of all, we confess that sometimes our motives are dominated by secondary loyalties: Party prejudice blurs our vision, combative competition prompts manipulative methods, negative attitudes foster strained relationships. Together we ask You to purify our motives and refine them until they are in congruity with Your will and Your vision. In the name of Jesus who taught us the liberating, healing motivation of glorifying You by serving others. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, of Mississippi, is recognized.

SCHEDULE

Mr. LOTT. Thank you, Mr. President. The Senate will immediately resume consideration of House Joint Resolution 1, the balanced budget constitutional amendment. Senators are reminded, a vote will occur on passage of the balanced budget amendment at 12 noon today. Following that vote, the Senate may consider other Legislative or Executive Calendar items that can be cleared for action. I know that there are some bills that are pending that could be taken up. I know that there has been work underway on executive items. So I am sure that that information will be provided by the majority leader immediately following the vote at 12 noon. Mr. President, I yield the floor.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. The Senate will now move to consideration of House Joint Resolution 1, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (House Joint Resolution 1) proposing a balanced budget amendment to the Constitution of the United States.

The Senate resumed consideration of the joint resolution.

Mr. LOTT. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time in the quorum call be equally divided on both sides.

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

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The senior Senator from Alaska is recognized.

Mr. STEVENS. Is there controlled time, Mr. President?

The PRESIDING OFFICER. There is controlled time, equally divided.

Mr. STEVENS. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator yields himself 5 minutes. The Senator has the floor.

Mr. STEVENS. Mr. President, the budget deficit for 1996 is estimated at $144 billion. It is projected to nearly double by the year 2002 under current budgetary policies and will continue to grow each year thereafter. It is growing at an astounding rate, over $335,000 a minute. I am sure people are tired of hearing this, but in my opinion, we have to keep repeating it.

The average young couple starting life today will pay about $113,200 in interest on this debt.

I have a number of children, six of them. I have eight grandchildren. I am very worried about the future as far as they are concerned in terms of what their share of this national debt will be if it continues to grow at this astounding rate.

It was projected that my youngest granddaughter's share of this debt will increase 25 percent in just the next 5 years, and that she will pay something like $187,000 in taxes in order to pay the interest on the national debt during her life.

I have been impressed by what the leader, Senator DOLE has been saying. Interest rates are 2 percent or more higher than they would be if the debt and the deficit were under control. It is not a matter of trying to pay down the debt overnight; we cannot. It is over $5 trillion. It is not a matter of trying to eliminate the deficit overnight; we cannot. The debt is mounting too fast.

What we can do is pass House Joint Resolution 1 which would be a symbol to our people and to the world that we are prepared to set a new standard for the Federal Government. The Federal Government of this country will do exactly what every State in the Union must do, balance the budget annually, bring interest rates under control, and try to find a way to start paying down the debt.

That is what this battle is all about. It is not about this generation and the deficit created under it. It is about

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

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whether this generation is going to solve the problem created during their lifetime, or are we going to pass it on to our children and grandchildren?

I do not believe you can have any more graphic example than the experience that Senator DOLE shared with some of us the other day. He told us about how he visited with this young couple, and because of the 1-percent increase in interest rates, they were not able to buy the house they wanted. It meant $65 more per month. That is getting down where the rubber hits the road.

Many of us remember those days when we had to figure out, to the penny, what we were doing as young couples in order to have a home and to buy a car and to be able to plan ahead for our family.

These higher interest rates are denying young couples today the access to the type of housing they need to raise a family.

I think that is the worst part of this situation we are dealing with right now, the disincentive for young people to start their families, to plan ahead and provide homes for them. That is not only the American dream, it is the American lifestyle. We ought to have a way to get back to that lifestyle. We ought to not deny it for future generations.

I do believe when we look at this problem today, whether or not we are going to send this constitutional amendment to our States for ratification, we ought to think of future generations, not just ourselves.

We need to think of our children and our children's children. Given our enormous debt, will their taxes be out of sight? They will be. Will they be paying into Social Security retirement funds that will not be there when they retire? They will be. Will the interest on the debt squeeze out the type of services that ought to be provided by the Federal Government? The answer is yes.

Interest in the national debt is growing now to the point where it will be 20 percent or more of Federal spending by the year 2002.

I support this constitutional amendment. In the past I have questioned whether there was a basic commitment to the discipline that is necessary in Congress to carry it out without cutting necessary discretionary spending. I believe there is a commitment in this Congress and we ought to send this constitutional amendment to the States.

Mr. GRAMM. Mr. President, how much time do I have under the previous order?

The PRESIDING OFFICER. The time is equally divided between the two sides.

Mr. GRAMM. Mr. President, I yield myself 10 minutes.

Mr. President, today we are once again engaging in an ancient debate about whether or not there ought to be binding constraints on the ability of the Government to incur debt. I say this is an ancient debate because it actually started at the very beginning of the constitutional process.

When Thomas Jefferson first saw the Constitution, he was serving as Minister to France and, therefore, was not in the country when it was written. When he first saw the Constitution, he made, in a letter, the following statement: ''I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of its Constitution. I mean an additional article taking from the Government the power of borrowing.''

Now, I submit, Mr. President, that today we are engaged in the same debate that was initiated the very first moment Jefferson saw the new Constitution. It was recognized at that point, by no less a keen observer than Thomas Jefferson himself, that there was a problem in the Constitution. Fortunately, at that time, we were on a gold standard and the amount of money in the economy was limited by a requirement that it be converted into gold at the rate of $20.67 an ounce, and except during wartime, when this requirement was suspended, we had a relatively stable situation. Every time this requirement was suspended, however, we had an explosion in prices, and when we went off the gold standard in the 1930's, this constraint on the amount of money in the economy was totally removed.

We now find ourselves in the situation where we have not balanced the Federal budget since 1969. Every year since 1969, we have run a deficit. The cumulative debt of the Federal Government, which converts into a debt for each individual citizen, has risen from $1 trillion to $2 trillion to $3 trillion.

I know throughout this debate we have had charges hurled back and forth between the Democratic side of the aisle and the Republican side of the aisle as to who is responsible for this situation. I, for one, do not have any trouble saying that the blame can be found on both sides of the aisle, both in the Congress and in the White House. The plain truth is, our Democratic colleagues who want more Government have consistently underestimated the cost of the Government that they want, and in doing so they have planted the seeds for more and more Government spending without being willing to look the American people in the eye and say, ''We are going to have to raise taxes to pay for this additional Government.''

Might I also say that, on our side of the aisle, we are very generous in promising less Government and more freedom—we love to talk about cutting taxes. But when it gets down to the bottom line of cutting Government spending, we have never ever been willing to cast the votes needed to place ourselves in a position where we are living up to the high commitments we have made.

Some of our colleagues have said, ''Well, why do we need a binding constraint on Government?'' They are forgetting, however, what is the purpose of the Constitution. If the Founders had trusted Congress to respect freedom of religion, freedom of assembly, and freedom of the press, and if the Founding Fathers had trusted Congress to protect private property, there would never have been a Constitution. The whole purpose of the Constitution is to limit the power of Government. In fact, the genius of the Constitution is that it actually says there are certain things that Government just cannot do.

Does anybody believe that this Congress, this President—that any Congress, or any President—can be trusted to balance the Federal budget, to limit the growth of Government spending, or at least have the courage to pay for it by raising taxes? I do not believe this Congress can be trusted, and I can not envision any Congress which could be elected that, year in and year out, could be trusted to act in this manner.

Let me explain why: Every time we vote on a spending bill, all the groups who want the money are looking over the Congressman's left shoulder, sending letters back home, telling people whether their Representative cares about the old, the poor, the sick, the tired, the bicycle rider—the list goes on and on and on. But nobody is looking over the Congressman's right shoulder to see if he cares about the future of the country or the future of our children.

What happens, as we vote on these individual bills, is that the average beneficiary may get $1,000, or $1,500 while the average taxpayer may spend only 50 or 75 cents. You do not have to have a Ph.D. in economics to know that one person will do much more to get $1,000 or $1,500 than a lot of people will do to prevent spending 50 cents. So what happens on vote after vote after vote, is that we end up spending more and more money.

Well, as a result, what has happened to taxes? When I was a boy, 8 years old in 1950, the average family in America with two little children sent $1 out of $50 it earned to Washington in taxes. Today, the average family with two children is sending $1 out of every $4 it earns to Washington in taxes. If we do not create a single new Federal program in the next 30 years, if we simply pay for the Government we have already committed to, in 20 years the average family will be sending $1 out of every $3 to Washington, and in 30 years the average family will be sending $1 out of every $2 to Washington, DC.

This is the cold reality we face. In my opinion, there is only one thing we can do, short of a crisis, to change this picture, and that is to adopt a balanced budget amendment to the Constitution. A constitutional prohibition against deficit spending, which allows

for a period of time to come into compliance, will end all of this foolishness. The President will be forced to sit down and work with Congress and the Congress will be forced to work with the President, because under this constitutional constraint we will have no other choice. If we want the games to end, if we want the Government to be forced to live on a budget, if we want to stop the explosion of the tax burden, if we want to have any real chance of preserving Medicare and Social Security for our parents and for ourselves, and if we really care about the future of our country, the most important single change we could make in America Government is to adopt a balanced budget amendment to the Constitution.

Mr. President, I had a previous agreement for 15 minutes. I yield myself the final 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. GRAMM. Jefferson and Adams, after having both served as President and after having had one of the most bitter political debates in America history, started a correspondence, much of which is now known as the ''Jefferson-Adams Debate.'' Adams, ever the pessimist, argued that Americans would discover that they could use Government to redistribute wealth, and that in doing so they would tax productive effort, reward indolence, and that ultimately democracy would fail. Jefferson, ever the optimist, agreed that Americans would make the discovery that they could use Government to redistribute wealth, and agreed that all the tendencies that Adams identified would clearly be present, but Jefferson argued that Americans would realize that what Government could take away from someone else to give them today it could also take away from them and give to someone else tomorrow. Jefferson believed that opportunity would always be so prevalent in America that Americans would ultimately reject Government's redistribution of wealth.

We are, today, living out the Jefferson-Adams debate, and the future of our country is going to depend on the outcome of this dispute.

I believe that Jefferson was right. I believe that if America understood what we are choosing every day by choosing more and more government and choosing less and less freedom, I believe that if we could just let Americans look at the end of the path we are following and then decide which fork in the road to take, there would not be any doubt as to which path they would choose—they would choose Jefferson's.

The problem is that the whole spending process distorts the view and prevents us from seeing clearly the end of the path we are now following. Even in the Republican budget which we tout this year, we will spend $17 billion more on discretionary spending than we promised to spend last year, and we are the party of fiscal responsibility. The Democrats would start dozens of new programs, that would bankrupt the country, without ever telling anybody that they would require a massive increase in taxes.

There is only one way we can bring this to an end, and that is to pass a balanced budget constitutional amendment, send it to the States, let the States ratify it, and then have it imposed on Congress. ''Congress shall make no law which raises the deficit.'' This is the constraint we need.

There are those who have argued, ''Well, you are endangering Social Security by forcing the Government to live on a budget.'' Does anybody really believe that we protect Social Security by going deeper and deeper in debt every single day? Does anybody believe that the explosion of Government programs can ultimately do anything except destroy Social Security? Does anybody believe this continued spending spree under Democratic and Republican administrations, under Democratic and Republican Congresses, can do anything other than undermine the creative genius of our country?

We can cut interest rates, we can expand economic growth, we can create more jobs, create more growth, and create more opportunity for our people, but we can only do it if we stop the deficit and force a real debate, and the real debate is this:

Do the Democrats want more Government enough to raise taxes to pay for it? Do Republicans want more freedom enough to cut spending to make it possible? Both parties are living a lie today. We could end that by passing a balanced budget amendment to the Constitution.

We were one vote short the last time we voted on this because six Democrats, having voted for it in the past, changed their votes when it really counted.

I hope today will be the beginning of a change. I hope people see this as a golden opportunity to change America. I doubt they will, though I am confident that some day we are going to pass this amendment. The sooner we can pass it, the better off the country will be and I continue to hope we will do it today.

I yield the floor.

Mr. HATCH. Mr. President, I yield 5 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, why are Federal budget deficits bad? One reason is that for every year that we run a deficit we have to borrow to pay for the shortfall. In the beginning of our country until today, we have borrowed—this Nation of ours currently is in debt nearly $5 trillion—$5 trillion with the overwhelming majority of that having occurred in the past 15 years. The cost of servicing that debt—in other words, paying the interest on that debt—is currently $240 billion a year. That is not paying the principal. That is solely paying the interest on the debt.

Interest now is the third largest payment that the U.S. Government makes every year. We pay Social Security. We pay defense. And then the next largest item is interest on the debt—$240 billion a year.

Suppose we did not have to pay that interest on the debt? Suppose that $240 billion was available instead to improve our education system, or to do something about better maintenance for our highways, or to clean up our environment in a better fashion than we are currently doing, or to bolster our efforts to combat crime. A whole list of very, very attractive items would be available—potential expenditures to improve our Nation if we were not paying $240 billion a year interest on the debt.

The deficit places a tremendous strain on the national economy through higher interest rates. The interest rates would be far lower. And this is not just me saying this. This is testimony we have had before the Finance Committee by the Chairman of the Federal Reserve, Mr. Alan Greenspan. Investors in the United States and borrowers in the United States are required to pay higher interest because of the tremendous national debt that we have and the high interest rates that are having to be paid to service that debt.

If the interest rates were low, what would happen? People would pay less on their mortgages every year, less on their borrowing for a new automobile, and less on the borrowings they have made for their children's education.

The Federal deficit also places a drag on future economic growth. Our potential to expand the economy is directly linked to the amount we invest in physical and in human capital—newer and better machinery, a better trained work force with improved skills, and, thus, higher productivity and a higher standard of living if we had a pool of national savings available for that investment. Regrettably that is not true. National savings in our country has declined dramatically over the last decade—the last 10 years—in part because the Federal Government has engaged in a policy of not saving through its deficit spending. This is, in part, because now what can we do about all this? How will a constitutional amendment to balance the budget help us? What it will do principally is to impose fiscal discipline upon this Nation of ours.

The Federal Government has failed to balance its budget for 26 straight years. With a balanced budget amendment in effect, this Nation of ours—and us as elected Senators, and likewise in the House of Representatives—will be required to balance the budget, would be required to face up to the tough decisions, and if we want to spend money, we have to raise the money to pay for it. We cannot borrow.

So this balanced budget amendment represents a first and most important

step on a long and difficult journey to fiscal responsibility and to passing this Nation on in better condition to our children than we received it.

Mr. President, every previous effort to balance the budget without an amendment to the Constitution—I previously was not in favor of an amendment. Instead, I thought we could do it through Gramm–Rudman-Hollings, or through firewalls, or through caps on discretionary spending, or pay-as-you-go rules. All of these we have tried. None of them has succeeded to date. When the targets became too difficult to meet, we simply changed the law. That is the way we did it in the past. But we will not be able to do it once this amendment is in effect.

So, Mr. President, it is my earnest hope that this amendment will be adopted today.

I thank the Chair.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I yield myself such time as I might need.

Mr. President, let me, first of all, say that I think this proposal on the floor of the Senate suffers from the same structural problems that have been with it from the very beginning. It is good politics. It is easy for everybody to vote for it, even if they are not serious about balancing the budget. It is painless. But I do think there are a couple of problems that are very important problems to the people in my State of Minnesota.

First of all, there are a number of us who would be interested in this formulation about balancing the budget if, in fact, we had an amendment that said there could be no raid on the Social Security trust fund. That ought not to be a part of the equation of balancing the budget. But we cannot get support for that amendment.

So, No. 1, I think the talk about a constitutional amendment to balance the budget without the ironclad guarantee, not just to senior citizens, but to their children and their grandchildren, that we will not raid the Social Security trust fund, is a proposal that is deeply flawed.

Why are my colleagues so reluctant to support an amendment on the proposition that in balancing the budget between now and 2002, we will not raid the Social Security trust fund? In the absence of that kind of guarantee, I am not going to vote for any amendment, constitutional or otherwise, to balance the budget, unless there is the absolute assurance given to senior citizens and their families.

I am so tired of this politics that tries to divide the old from the young, senior citizens from their children and grandchildren. Unless we have that guarantee, this proposal is deeply flawed. There are a number of us who want to vote for that alternative, but we do not get the support for it. People in Minnesota and around the country are not interested in an effort to balance the budget on the backs of senior citizens. They are not interested in an amendment that says we will balance the budget, with no guarantee that we are not going to raid the Social Security trust fund to do it. That is flaw No. 1.

Flaw No. 2. People in cafes in Minnesota—I think the cafes are the best place to be; I think this is the best focus group. You sit down and you talk with people. They say, look, we balance our budget at home—and we do. But when we balance our budget at home, here is how we do it. We make a distinction between investment for the future and our daily or monthly or yearly operating expenses. We do not cash flow a car that we buy. We do not cash flow the home that we buy. It is on the basis of a fairly long-term mortgage, and we do not cash flow our children's education, higher education. We make an investment. It is a very good family practice and a very good business practice, a sound business practice, to make such an investment if you know that it will pay for itself over and over and over again.

We had an amendment last time that said, look, let us talk about a constitutional amendment to balance the budget, but let us make some distinction between the investment budget, investment we make now—education, physical infrastructure, or whatnot—which pays for itself over and over again versus our daily operating budgets. That amendment was voted down. Every family in Minnesota and in America knows the distinction between spending money on a vacation during the summer, when maybe you should not do it, versus spending money on your child's higher education. We had an amendment that wanted to make that distinction. I have talked to one of the coauthors, Senator SIMON, about such an amendment. But, no, that amendment also is not part of this.

So if you are talking about a constitutional amendment to balance the budget and (a) you have to guarantee that this does not lead to a raiding of the Social Security trust fund, and (b) you have no distinction made between an investment budget and an operating budget, you have a deeply flawed proposal.

The third point. We can balance the budget—and should. I voted for the President's proposal to balance the budget by the year 2002—CBO scored. I do not think people really know what all this CBO scored means, but I will say it. Actually, I thought that proposal was by no means perfect and that we could do much better.

Mr. President, you have a proposal that is flawed on several counts. Then we get to the sort of—as my children would have said it when they were younger—''get real'' phase of this. We do not need this to balance the budget. We can do it. The question is, how?

I will tell you one of the things that I find just more than a little bit ironic. At the very time that some of my colleagues, whom I deeply respect, are talking about a constitutional amendment to balance the budget, they trot out a son-of-star-wars proposal. The Pentagon does not want it, the Joint Chiefs of Staff do not want it, and it is $70 billion more on top of what we are already spending on star wars. We do not know whether it will work. It is not proven. Research has not been done. The Pentagon and the military tell us we need to, first of all, do research to see whether or not this would work and to defend our country in what ways. But the very people who are talking about a constitutional amendment to balance the budget, no guarantee we will not raid the Social Security trust fund, who will not pass our amendment that makes it clear that you cannot do that, are the very people that trot out the son of star wars, with $70 billion more for a system the Pentagon itself does not want in this form right now.

Mr. President, the very people who are voting for a constitutional amendment to balance the budget have now in the budget proposal voted for $11 billion more than what the Pentagon wants. The first time in my adult life—no, it is the second time; it happened before. This is the second time around. This is the second time in my adult life where the Congress is appropriating more money than the Pentagon says it wants. These are the same people who want to cut financial aid to higher education, cut educational opportunities for children, cut into Head Start, cut into job training, and they want to go $70 billion more for son of star wars, and they want to spend $11 billion more above and beyond that $70 billion than the Pentagon even wants. And the last time around, in the last budget, it was $7 billion more we were going to spend. My friends who say they want to balance the budget want to spend $7 billion more on the Pentagon than the Pentagon wanted, and I came out here with a modest amendment which said, please, could you not take half of that $7 billion, $3.5 billion, spend $3.5 billion less since the Pentagon said it does not need it and put it into deficit reduction, and the amendment was defeated.

So everybody understand the politics of today. This proposal was defeated before. It will be defeated probably by a wider margin today. The Senator from Nebraska [Mr. EXON] has come out in the Chamber and said this is absolutely outrageous, because I see what my colleagues are doing here; they want to spend more and more and more and then they want to do a constitutional amendment to balance the budget.

Well, to use what I think is an old Yiddish proverb, you cannot dance at two weddings at the same time. And people in the country are just getting a little tired of it. That is what this proposal is all about. You have people in the Senate who say we are for balancing the budget by the year 2002, and

do not worry, senior citizens; this will not be done on your backs and we will not raid the Social Security trust fund, although that surplus is sitting out there, we can assure you of that. But then when it comes to actually voting for that, these folks will not do that.

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

Mr. WELLSTONE. I would be pleased to.

Mr. HATCH. It seems to me that is one reason why we need a balanced budget amendment. If there are Senators that will not do that now, then under the balanced budget amendment we are going to have to. We are going to have to raise taxes and reduce spending or have a supermajority vote to spend more. But if I could just ask one last thing, and I do not mean to interrupt my colleague.

Mr. WELLSTONE. That is fine.

Mr. HATCH. One last thing. And that is that I have heard these arguments before. I heard President Clinton on the news the other day say as he was walking outside the White House, ''Let's just balance it.'' I have heard that for the whole 20 years I have been here: ''Let's just balance it.'' Both sides have said that over the years.

I think both sides have flaws here. I think both sides have spent too much, both sides have taxed too much, both sides have not done what should be done. That is why we need a balanced budget amendment, because then the game is over. The Federal Government is going to have to live within its means or vote with a high consensus to not live within them, but at least that vote will be done on the record, in front of the American people, rather than the phony way things are done today when people just stand up here and say, ''Let's just balance it.'' I have to laugh. That is the biggest joke in our history. We have 60 years of not balancing it very often, and 27 years in a row of not balancing it at all.

That is what bothers me. That is why Senator SIMON and I and others have fought so hard to try to get this amendment passed, so that the game will be over for both sides.

I would also use a Yiddish expression, and that is chutzpah. It takes chutzpah to continue to just spend and tax the American people and to sell out the future of our children. And frankly, that is what is going on here. I am willing to blame both sides. I will be happy to say the Republicans are to blame here, too. I will be as bipartisan as I can be, just like Senator SIMON has been, but both of us know that if we do not do something about it, it is only a matter of time until we are going to have to monetize the debt and we will pay it off with devalued dollars that roll off the printing press not really worth anything—barrels of dollars that will not be worth anything printed up so the Government can escape its debt liability. But at that point, the United States will no longer be the great power it has always been. And that is what it is coming down to, because we cannot continue to go the way we are.

What really bothers me, and I will end——

Mr. WELLSTONE. That is fine.

Mr. HATCH. What really bothers me is this argument that we have to preserve and protect Social Security by defeating the balanced budget amendment, which is the only way to preserve and protect Social Security, or at least the current Social Security system. I think if we pass this amendment, we will not only have to preserve and protect it as it is now, we are going to have to find a way of reforming it so that it will last well into the next century and take care of our children and our grandchildren as well, not just those who are living today. The only way we are going to do that is if we really get serious about it and force the Congress to do it. And the only way you are going to do that is by passing a constitutional amendment. I do not think anybody who looks at it sincerely can doubt the wisdom of what I just said.

The fact is that this amendment has been around for a lot of years. It is a consensus amendment. It is the one amendment that has a chance of passing, the first amendment that has ever passed the House of Representatives, the first one and maybe the only one that will ever pass the House of Representatives, and yet we in the Senate are going to stand and block it.

What really hurts me to a great degree is that at least six Senators who have always voted for it are voting against it under the guise that they are protecting Social Security, when in fact the only way you can protect Social Security is to get our spending habits under control, and the only way to do it is to give us the fiscal discipline to do it in the constitution.

I thank my colleague for allowing me to make these comments, but I felt I had to make them in light of what my friend has said.

Mr. WELLSTONE. Mr. President, my colleague may want to make more comments because I just respectfully—parliamentary inquiry. I have the floor, is that correct?

The PRESIDING OFFICER. Yes.

Mr. WELLSTONE. I thank the Chair. First of all, I am always more than pleased to hear the analysis of my friend from Utah—a lot of times we say in the Chamber ''whom I deeply respect,'' and it sounds like flattery, but whom I really do deeply respect. There is just no doubt of his ability as a legislator and his expertise in the Senate, but I am in profound disagreement with that analysis on two points.

First, if in fact we want to make it crystal clear that we are going to balance the budget by the year 2002 and in no way, shape or form is the Social Security trust fund money going to be used for that, then let us have the amendment out on the floor and let us vote for it.

Mr. HATCH. Will the Senator——

Mr. WELLSTONE. Let me just finish if I can. That is my first point. That is, I think, an important reassurance which we must give.

My second point is that I am absolutely in agreement with my colleague that when you look to the future, especially around the year 2030 and you get to a ratio of two workers and only two workers or working people to every one retired person—in that sense demography is destiny—we have our work cut out for us. But I think it is a flawed economic analysis to argue, well, the way we do that is in fact through a constitutional amendment to balance the budget. The way we do that is in a lot of different ways, but one of those ways is to make sure that we have an economy that is producing enough living-wage jobs, that is to say, jobs that people can count on that pay a decent wage with decent fringe benefits so that that working generation, which is the way the Social Security system works, is able to contribute to those who are retired, and then when we are retired, we hope that also there will be a successful enough economy so that base will be there. That is a whole different set of issues that have to do with whether or not we are going to invest in job training, that have to do with whether or not we are going to invest in education, that have to do with whether or not we are going to have an economy that produces high value products with a skilled labor force—all of which, I would say to my colleague, has much to do with whether or not we make the right investment decisions in the private sector and in the public sector.

Mr. HATCH. Will the Senator yield?

Mr. WELLSTONE. If I could just finish—that is my first point.

My second point is, I must say that when my colleague talks about the past 20 years, I do not have that perspective. Maybe that is the difference. I have not been here that long. I know that in the last 3 years since the President was elected we have halved the deficit. It has gone down. Those facts are irreducible and irrefutable.

I know, if we want to talk about the past, there were people here in the early 1980's, starting around 1981—David Stockman has written about this eloquently, as he looks back on those times—who passed what was euphemistically called the ''Economic Recovery Act.'' George Bush, President Bush, once called it ''voodoo economics.'' We were going to have these massive tax cuts. That was great politics. We could say to people in the country, ''We ask you to make a supreme sacrifice. Will you let us cut your taxes so the economy will grow and everybody will be better off?'' And people said, ''Absolutely.'' So we did that; disproportionate money going to those who had the most income. And, in addition, we dramatically increased the Pentagon budget, not to mention the explosion of tax expenditures. By the way, I say to my colleague from Utah,

I do not see any evidence that my colleagues here are willing to take that on, all those loopholes in deductions, all those subsidies that go to oil companies, tobacco companies, pharmaceutical companies, you name it. We do not take any of that on.

So what did we have, an overall debt that was about $900-and-some billion? Now what is it, $4, $5 trillion, or thereabouts?

I must say, yes, I was not a part of that. I was not a part of the claim for trickle down economics. I never made those claims to people. And I know if we were not paying the interest off on that debt built up during the 1980's we would have a balanced budget right now.

So I am not arguing—I will finish. I have the floor. But I am not arguing that we not make the tough decisions. I am not arguing that we should not be fiscally responsible. As a matter of fact, I come to the floor with amendments for lots of cuts. What I argue with is some of what I think are distorted priorities. People want to do more and more for the Pentagon. They now have a son of star wars. But for some reason, my colleagues do not seem to believe that a good education is a strong national defense against ignorance, against prejudice, against hopelessness, against despair, against children not doing well, against not having skilled workers.

So this is a debate about a flawed proposal, structurally, and about priorities. That is what this debate is about.

Mr. HATCH. Will my friend be kind enough to yield on that point?

Mr. WELLSTONE. I will be pleased to yield for a question, but I would like to keep the floor.

Mr. HATCH. Let me just say, I believe my friend makes a very good case for the balanced budget amendment. Because even though he criticizes some things that others have done, and compliments some things that he has done, the fact is that the system is running the same as usual. One thing that I would just like to point out and I ask the question, is it not true that the six Democrats who always voted for the balanced budget amendment before—and, perhaps, all Democrats on that side—who now refuse to support the balanced budget amendment under the guise that they are preserving or protecting Social Security by refusing to support a balanced budget amendment that does not exclude Social Security from the balanced budget calculation, that all six of those Democrats, and I believe every Democrat who will use the Social Security argument as an excuse for voting against the balanced budget amendment, I would ask my friend, did not every one of them vote for President Clinton's fiscal year 1997 budget which did not exclude Social Security receipts from deficit calculations? And, even though my colleague claims the deficit is going down, the debt since we first debated and voted down the balanced budget amendment has gone up $320 billion in 15 months. While we fiddle around here the Nation is burning. We fiddle around on trivialities when, in fact, passing the balanced budget amendment is the only way we are going to get things under control.

Will my colleague agree the Democrats voted for the Clinton 1997 budget, which itself did not exclude Social Security, and used those Social Security surpluses in their budgetary deficit calculations?

Mr. WELLSTONE. I say to my colleague there is one fundamentally important distinction. The Democrats did not enshrine in the Constitution the potential raiding of the Social Security trust fund. It is that simple. I do not think senior citizens or their children or their grandchildren want us to do that, nor should we do so.

I also would say to my colleague, my critique was not restricted to just that one point alone. I argued that this proposal, I think, is flawed in two or three fundamental ways, and then went on to discuss priorities. So that is the distinction.

Mr. President, let me just finish up, because I see my colleague from New Mexico is on the floor. There are others who want to speak.

I reiterate what I said earlier. This proposal is deeply flawed, I think on policy grounds, structural grounds. There should be an ironclad guarantee that we do not enshrine in the Constitution, raiding the Social Security trust fund. We should make a distinction—I have said this over and over again, I say to my colleague from Utah—between investment and operating budgets. And we ought to be very careful in not tying our hands so that we do not have, through specifically fiscal policy, the ability in times of economic downturn to do what we need to do to make sure that recessions do not turn into depressions.

Those are some of the structural arguments. My other arguments have to do with priorities. One more time I will point out to people in the country the politics of this vote. It is transparent. We had the vote before. It is not going to pass. Senator EXON has come to the floor, who has voted for it before, and he said this is just outrageous. The very people who are proposing this now bring out son of star wars for another $70 billion. These are the very people who want to spend $7 billion more than the Pentagon even wants. Now they are talking about what kind of tax cuts they can give. And this just does not add up. It does not add up at all.

So it is wrong on basic policy grounds. It is wrong from the point of view of playing politics. And, finally, I have to say, as somebody who has had amendments out here—and a good number of these amendments have not been agreed to, but I actually think these amendments are quite connected to where most of the people in the country are—for the life of me I do not understand why this interest in going forward with this expensive son of star wars system, this star wars system, and at the same time colleagues are so eager to cut into job training programs, educational opportunity programs, Head Start programs, and environmental protection programs and all of the rest. When it comes to going after subsidies for oil companies or tobacco companies or pharmaceutical companies or big insurance companies and a whole lot of others of these tax expenditures, which are giveaways, a big part of the budget, the silence of my colleagues is deafening. They do not want to do it. These are the big players, the heavy hitters. These are the folks who have the clout.

When it comes to going after the Pentagon contractors some of my colleagues who are pushing this proposal the hardest want to spend more money than the Pentagon even wants to spend. And they continue with this idea of tax cuts, adding up to a significant amount of money, disproportionately flowing to those people who need it the least, all in exchange for reductions in the quality of health care for senior citizens, children, you name it.

These are distorted priorities. So we have two sets of issues going on here, and on all counts this proposal should be defeated.

I yield the floor.

Mr. HATCH. Mr. President, I yield to the distinguished chairman of the Budget Committee.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope the American people understand all these arguments about what Republicans want to spend money on, what Democrats want to spend money on, who wants to cut taxes, who does not want to cut taxes, have nothing whatsoever to do with a balanced budget. It is an absolute, utter smokescreen. The truth of the matter is, you either want a balanced budget built into the Constitution or you do not. For those Democrats and the one Republican who voted against the balanced budget and never came to the floor, never inserted in the RECORD any excuse, but rather said, ''I am against it as a matter of policy,'' I laud them. I praise them. They just happen to be against it. They do not think it ought to be done.

But for those Senators, and I gather there are none on our side, who take to the floor and make excuses about why they are against it such as, ''We are raiding the trust fund for Social Security,'' it is a charade, it is an absolute smokescreen.

Senators DASCHLE and DORGAN and others have produced a constitutional amendment which would require a balanced budget in the year 2002 excluding the Social Security trust fund. They argue that including Social Security in the balanced budget amendment effectively authorizes the raiding of the Social Security trust fund and its surpluses for purposes of balancing the budget.

Mr. President and fellow Senators and those who are listening, I believe this argument and the Daschle-Dorgan proposal, I repeat, is nothing more than a smoke screen. It is intended to divert the public's attention from the real issue, constitutionally required fiscal discipline. You either want it or you do not want it. We happen to think it is long overdue. Second, it provides an excuse for some who supported a balanced budget amendment in the past to vote against it now, now that their votes really matter.

But I believe the American people will see through this smokescreen because it is obvious that this is a charade and it is not about Social Security. Rather, it is plain and simple about defeating the balanced budget amendment. That is what it is all about, defeating the balanced budget constitutional amendment.

It is obvious—not those Democrats who will vote against it on principle or our one Republican who votes against it on principle—but it is obvious that others are not serious about their constitutional amendment because it would have one clear result which they adamantly oppose, deeper spending cuts in domestic programs, or, which they allege to be opposed to, tax increases. It will be one or the other under their proposals—huge, deep spending cuts in domestic programs, which they avow they are not for, or huge increases in taxes, which they run around saying they are not for. One or the other must occur under their balanced budget amendment, which they call pure.

Over the next 6 years, from 1997 until 2002, the cumulative unified budget deficit, that is the total receipts less total outlays—a simple proposition—will be $1.1 trillion, according to CBO. Over that same period, Social Security will run a surplus of $520 billion, including $104 billion in the year 2002.

Mr. President, if we adopt the Daschle-Dorgan approach, we would be forced to make much deeper spending reductions than any plan on the table.

Let me give you the best estimate I can of what it will require, I say to Senator HATCH.

If applied proportionately across the budget, that plan will require $92 billion more in Medicare cuts. Of course, they will disavow that. They are not for that. They are for a balanced budget without Social Security, without that trust fund being in the budget. It will require $46 billion more in Medicaid cuts. Of course, they will say that is not the case. They do not want that. It will require $36 billion more in welfare cuts, $62 billion more in mandatory spending, and $38 billion more in the discretionary accounts of the Government. Is that what they really want?

Frankly, some will get up and say, ''No. We're going to do it another way.'' How? There is only one other way, and that is to dramatically increase taxes. I do not mean a little bit—a huge amount. Is that what they want? Maybe. But they are not saying that.

So I conclude that those who are now hiding behind the veil of Social Security being adversely affected by a unified balanced budget, their real goal is plain and simple and as patent as can be. It is to kill the balanced budget amendment, nothing more, nothing less.

The sponsors of the Daschle-Dorgan proposal argue that our balanced budget amendment would raid Social Security. If that is the case, then the Democrats who proposed it and the President who talks about that are raiding Social Security, too. In fact, every budget plan by the President and the Democrats in the past 18 months, which claims to reach balance in the year 2002, includes Social Security in the deficit estimates. They claim balance; and it is a balance which includes Social Security in every single budget produced.

Most recently—January 19, 1996; the end of the negotiations—Senators DASCHLE and DORGAN held a press conference with others to promote their approach to balancing the budget. Somehow they must have forgotten that their plan reached balance in 2002, in their words, ''raiding Social Security.''

Moreover, the President's 1997 budget, although filled with gimmicks, like every other balanced budget presented this year, gets nowhere near balance in the year 2002 if the Social Security trust fund is excluded. Yet Democrat after Democrat—not those who vote against it as a matter of principle; but those who want to tell the American people they are for a constitutional balanced budget—but Democrats of that yoke, one after another, claim that the President's proposal ''balances the budget in 2002.'' Yet 45 Democratic Senators voted for the President's balanced budget plan during the last month of debate on the budget resolution. I will wager that almost every one, knowing that the public wants a balanced budget, took full credit for it and said, ''We just voted for a balanced budget.'' It was a balanced budget of the exact type that this constitutional amendment will require.

I mention this only again to highlight the hypocrisy of such proposals. They say they cannot support a balanced budget that includes Social Security surpluses and yet every budget they produce and call balanced supports exactly that.

This is not about protecting Social Security. Those who claim that it is and put a cover over their vote by claiming that it is are trying to suggest that our balanced budget amendment does not protect Social Security.

Let me be clear. We made a promise to our Nation's seniors that we would balance the budget by 2002 without touching Social Security benefits. We kept that promise. Of course, the same cannot be said of some of the other proposals.

The President, in 1993, in his $260 billion tax increase, the largest in history, raised the portion of Social Security benefits subject to taxes from 50 to 85 percent. This effectively cut benefits for millions of middle-class senior citizens by $25 billion over 5 years.

In 1995, 19 Democrat Senators voted for a substitute balanced budget under reconciliation that cut the Consumer Price Index and thus Social Security COLA's. I will admit there was great bipartisan support for it. But for those who now say they do not want to touch Social Security, they do not want to harm it in a constitutional balanced budget, they voted already to harm it to cut the CPI.

Indeed, my good friend, Senator MOYNIHAN, known as a defender of Social Security, called for a CPI reduction of 1 percent each year to balance the unified budget by the year 2002.

Of course, very recently 46 Senators, 24 Democrats and 22 Republicans, voted for the Chafee-Breaux alternative which included a COLA reduction of five-tenths of 1 percent. This proposal would cut Social Security spending by $40 billion.

So, not only did that proposal count the surpluses toward the balanced budget, it increased those surpluses by cutting benefits. I hope that no Senator that voted for Chafee-Breaux will vote against the balanced budget amendment using the protection of Social Security as an excuse.

Again, I want to repeat, the Republican budget does not touch Social Security at all. I have said all along that the best way to protect Social Security is to balance the budget so that we have a strong, growing economy. In legislation implementing the balanced budget amendment, if it were to pass, we could provide procedural safeguards to preclude cutting Social Security benefits or raising Social Security taxes to balance the unified budget. That is not an issue of the amendment. It is an issue of the will of the Congress as a matter of policy, once it is adopted.

When we amend the Constitution, we must be taking the long view. Although some claim they are worried about raiding the Social Security surpluses, I am concerned about the looming and massive Social Security deficits that are on the horizon. These Social Security deficits threaten to push the unified budget to levels far above those we are experiencing today.

Over the period from 2020 to 2030, the Social Security trust fund will run a cumulative deficit of $4 trillion. In 2030 alone, the annual Social Security deficit will be $1 trillion, or $225 billion in constant dollars, which is 56 percent higher than the projected unified budget deficit for all of government.

If we adopt the Daschle-Dorgan constitutional amendment approach, the Constitution would allow these massive deficits in the unified budget to occur even as we would be telling the American people that our budget is

balanced in accord with the Constitution.

Let me repeat that: If you put something in the Constitution, I assume you would hope it would exist until 2020 or 2030. If you adopt the Daschle-Dorgan approach, you will be building into the budget of the United States by the year 2020 an opportunity for us to tell the American people we are in balance, even though the Social Security trust fund can be out of balance by hundreds of billions of dollars.

The truth of the matter is that not only would that kind of budget make a mockery of the constitutional balanced budget requirement, it would also be devastating to the American economy because—and I want to make this point—it is the unified budget deficit, regardless of what is said here on the floor, it is the unified budget and its deficit, not the deficit excluding Social Security, which tells us how much Government must borrow from the public each year. That is what we want to know: How much do we have to borrow. The unified budget tells us how much Government must borrow. It is this Government borrowing that has real economic consequences for national savings, for investment, for inflation, for interest rates and for economic growth.

Now, to remove any remaining doubt that those who take the coverup of Social Security as their defense against the balanced budget amendment, so that they would remove any doubt that they are more interested in killing the balanced budget amendment than in protecting Social Security, I want to make it known that we were willing to compromise with them to get an agreement. We suggested the idea of revising the balanced budget amendment to require both a balanced unified budget in 2002 and a balance excluding Social Security in 2006, which I believe anyone looking at the flow of expenditures and what is practical would say that is probably where we ought to be.

We proposed an amendment to this proposal that would make it such, 2002, balance under unified; 4 years later, balance excluding Social Security. There is nothing inconsistent with requiring both. In fact, you get to balance excluding Social Security, you have to first balance the unified budget—no way around it.

Moreover, I believe we need a permanent requirement regarding unified budget balances to protect against a time when Social Security runs large deficits. Those who reject this offer are really, once again, showing us they are not interested in getting an agreement on the balanced budget. They are, instead, interested in defeating it.

Now, Mr. President, and fellow Senators, what we are talking about is the following. It is the difference between economic prosperity and long-term stagnation. As we look out there among our people, one of the things they are most worried about is stagnation in their economic condition, that wages are not going up as fast as they should, that the dream for their children might be less than theirs, which somehow stirs a strong cord in the hearts and minds of Americans. If we do not build into American policy constitutional fiscal restraint that leads to a balanced budget, the difference is going to be simple. It is going to be whether we have prosperity or whether we have stagnation. No doubt about it.

Mr. President, to prove that for you, I want to cite a Congressional Budget Office report. According to the Congressional Budget Office, their so-called base scenario, here is what we can expect in 2030 if we do nothing.

Debt held by the public will reach 180 percent of our gross domestic product. At the end of 1995, our debt stood at 50 percent. In 1945, at the end of the war, it was 114 percent. The budget deficit will reach 15 percent of gross domestic product. In 1995, it was 2.3 percent. Net interest rate on the cumulative debt will cost 8 percent of the gross domestic product. Net interest rates are only 3 percent now. Social Security, Medicare and Medicaid will cost 18 percent, all alone, of the gross domestic product. These programs cost 9 percent now.

It assumes these massive deficits will do no harm to our economy. That is the rosy scenario. CBO states in its report: ''In the end, these deficits will weaken the economy, end long-term upward trends in real GDP per capita that we have enjoyed throughout our history. With Federal debt growing so rapidly, the economy will enter a period of accelerated decline.''

Mr. President, this is a real debate. This is about one of the most important issues for our future that will come before this body.

I went to some length to produce my argument today because I believe those who claim Social Security is the issue and trust funds of Social Security are the issue are perpetrating a huge smokescreen, at best, and, at worst, a monstrous charade. There is no doubt in my mind the best way to help Social Security now and in the future is to balance the budget as prescribed in this constitutional amendment. Without it, the very seniors they attempt to say they are for are put in very serious jeopardy, as are their children and grandchildren.

I yield the floor.

Mr. HATCH. How much time do we have left?

The PRESIDING OFFICER. The time of the Senator is 1 minute remaining.

Mr. HATCH. Mr. President, let me use the remaining time to say I have never heard a more phony argument in my life than the argument that they, the Democrats, are trying to protect Social Security, and yet every time President Clinton's budget comes up here not protecting Social Security the way they say they want to protect it, they vote for it. I am not willing to say people are hypocritical on this matter, but I am willing to say that it is a lousy argument. It is clearly an argument designed to give those who use it an excuse for them to vote against the balanced budget amendment. I have never heard a more disappointing display than yesterday, as Senator after Senator came on this floor and jumped all over BOB DOLE, who has done his best to get a balanced budget amendment through.

I think some of the most sordid politics I have seen in years occurred in some of the arguments yesterday. And the arguments are phony arguments. This is a very, very important opportunity for us to try and get the Congress to be required to do what is right. This is the only chance to get them to do that. I hope people will vote for this amendment—if not today, count on it, it will be back next year.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMPSON. 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. SIMPSON. Mr. President, I ask unanimous consent that I might speak for 7 minutes.

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

Mr. SIMPSON. Mr. President, now maybe we can get to where the rubber hits the road. I have been given the grisly task of chairing the Subcommittee on Social Security and Medicare and Family Policy. I have heard the debate going on about the looting of the Social Security trust fund. Mr. President—and I know they will rush onto the floor. The doors will clatter open in a moment.

Let me tell you that there is no Social Security trust fund. It is a huge stack of IOU's. The trustees know that, all thoughtful Americans know that. It is listed in the trustees' report. It is a huge stack of IOU's. There is no place in there with your name on it or my name on it. When a young person pays in today, it goes out next month to the beneficiary. In the year 2011, there will not be enough payroll tax to cover it. There will be a huge accumulated surplus then. And then you go and take the IOU and say, ''I am cashing this in.'' That is the double hit that is coming.

I related this last week. We are all aware that the Social Security program and its relation to any balanced budget constitutional amendment will always be an issue of fervent controversy. In fact, many individuals, and the well-organized interests and, oh my, the citizens and, oh, my, the AARP—do not miss their work here—have cited the need to ''protect'' Social Security as a moral justification for opposing any such constitutional amendment. We have heard more of that on the Senate floor this week, and we will hear it forever.

I trust that my colleagues will pardon me to say that I find this completely baffling—bizarre and baffling. I see no possible sensible justification for using Social Security as an excuse for opposition to the balanced budget amendment—none. It is but an excuse which excites the interest groups, which may be sold as a way to cover a vote against a balanced budget amendment. ''CYA'' here does not mean corporate youth activity. It is without substantive merit, in my view.

Let me explain fully that this is my duty as chairman of the Social Security Subcommittee to try to determine the facts. At least everybody is entitled to their own opinion, but no one is entitled to their own facts. How is the Social Security trust fund managed? This is how it is required under the law to be managed. It is a rather unfortunate that one would even have to do this, but too many in Congress, and out in the land, do not seem to ''get it,'' I believe is the phrase they use on us around here.

This is an enlargement of an excerpt from section 201(d) of the Social Security Act. Allow me to read from it to you:

It shall be the duty of the managing trustee to invest such portion of the trust funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States, or in obligations guaranteed as to both principal and interest by the United States.

This section continues later:

Each obligation issued for purchase by the trust funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury.

We can and we still do call these things T-bills, savings bonds, whatever. But it refers to any such Treasury bond or certificate.

Before I continue, allow me to translate this bit of mumbo jumbo. What this means is what the law requires. It is what the law demands—that when the Social Security payroll taxes come rolling in, most of them are immediately used to pay the benefits to today's recipients. The leftovers are not put in some vault or box, where we keep them, save them, and hold them for tomorrow's retirees. They are used to buy Government notes now. That is the law, that has always been the structure of Social Security. It is what is required of us. It is not ''raiding'' anything. It is not ''breaking a promise'' to anyone. That is how Social Security currently works, and it is how it was intended to work. That is what I mean when I say that the fund holds ''floating IOU's.'' It is holding those notes from the U.S. Government, and those notes are promises to pay up at a future date.

Let me take you to section (f) the Social Security Act. Do not miss this one. This is the section that explains how the future benefits are going to be paid:

The interest on and the proceeds from the sale or redemption of any obligations held in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund respectively.

Listen closely to this part:

Payment from the general fund of the Treasury—

Are you listening?

to either of the trust funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such trust fund.

Here we see the obvious. The payment back to Social Security at a future date will come from general revenue—taxpayers' money. Only from the general fund will it come.

The general Government, until the appropriate time, thus holds this big bag of IOU's to Social Security, and then it has to make good on those from the general revenues, not from some separate trust fund. It comes out of general revenue when the IOU's are due. That is how it works, and that is how it was intended to work. There is no way around it, no tricks, no gimmicks, no big lump of money in a trunk sitting there that we can emotionally plead to save from raiding if we exclude Social Security from a balanced budget amendment. Those benefits are to be paid with moneys raised from the general revenues—period.

Another way of putting it, if I may, is today's workers will support today's retirees and tomorrow's workers will support tomorrow's retirees, period. That is the law. This is how Social Security works. All of this posturing and fear mongering about how somehow a contract is being broken and that looting and pillaging, and God knows what else, and other sins are taking place, is so much guff and nonsense. It is so much like the old professor of mine. He said, ''SIMPSON, this is opium smoke.'' That old professor was right. The benefits of future beneficiaries were never available to be looted. They are IOU's, and all of the cash will be raised from general revenue when those bonds became due.

Let me just show you one final chart. I want you to pay, please, strict attention to this one. These are the annual operating balances projected for Social Security as of last year. You can see that, indeed, there is a sizable surplus today, and some are using this as an excuse to oppose the balanced budget amendment. This $60 billion figure appears small because—I ask unanimous consent for an additional 4 minutes.

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

Mr. SIMPSON. They are using it as an excuse to oppose the balanced budget amendment. This $60 billion figure appears small because it is an annual figure, a consolidated figure which also includes the disability payments and does not represent the total size of the accumulated Social Security reserves which are supposed to add up to another $2 trillion. They will get to $2 trillion—everybody needs to know that; we all know that—before the big drawdown, the big meltdown, comes.

But you know what we always hear about this surplus. ''We don't want this surplus to be counted toward balancing the budget.'' It is said plainly, passionately, and persuasively.

I ask you to look at the much larger picture. By the year 2020 we are also facing huge annual operating deficits, meaning that we would have to dip into the principal and the interest in this trust fund, the IOU stack, which I have already shown you is not there and eventually will only come from general revenues at that time.

Look at the size, look at the enormity of these promised obligations, all of which we have no possible way of paying unless we raise payroll taxes, and the seniors are telling you to do that to correct the program because they ''ain't paying'' them. Payroll taxes—that is how you get here, and other taxes, to raise them dramatically when the time comes. There is $7 trillion in unfunded liability in the Social Security system alone.

Does anyone seriously believe that the way to ''protect'' Social Security is to save it from a balanced budget amendment? Can anyone seriously maintain that the fate of Social Security hangs on the budgetary treatment of funds in 1996 when these are the balances projected in the outyears? We all know this. That is no secret to anyone. To use Social Security as a pallid excuse to defeat a balanced budget amendment is absurd, hypocritical budget blather of the most odious kind. We all know what the real threat to Social Security is. It is the situation you see on this chart. It is the threat that we will do nothing. That is the threat. That is the threat—the threat that we will let it go bankrupt on its own. But that is a debate for another day. I will not be around when the big bill comes due. But I hope in the year 2030, they will tap on my box and tell me how it all went because I can tell you where it is going to go.

My purpose today is to, hopefully, dispense with the idea that there is some promise that has been made to save the Social Security surplus in some way that we are currently violating. No. We are doing with Social Security precisely what the law demands and commands us to do—to buy T bills. If we can be charged with failing to do anything, it is failing to balance the budget. That is what will make it harder to make good on those IOU's when they come due. It will be very hard to raise the general revenue to do that. So as long as we keep blithely adding trillions to the debt—I ask unanimous consent for 2 more minutes.

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

Mr. SIMPSON. Mr. President, let me close by saying I agree with my friend and colleague, Senator PAUL SIMON of Illinois, that the assured best way to protect Social Security is to pass the

balanced budget amendment, or if you do not like the balanced budget amendment, to force ourselves to balance the budget. That is the one thing and the only thing that will make it possible to pay off those sacred promises to future retirees. I do not see people who like to cast those tough votes. They do not show up.

But in any event, let me say again that I find it very unseemly that anyone who refuses to help in that effort will use the looting of Social Security as an excuse not to impose a balanced budget requirement. I hope that all of you will read the Social Security Act for yourself and the sections of it—section 201—and think it over closely, and then read the trustees' report. If we have a more accurate public understanding of exactly how Social Security does, indeed, work, it is my earnest, and yet possibly most naive, belief that the argument over the balanced budget amendment can take place on a more honest and informed basis.

I thank the Chair.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I ask unanimous consent to speak for up to 8 minutes.

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

Mr. DEWINE. Mr. President, I rise today in strong support of a balanced budget amendment to the Constitution.

Here we are again. One more time, we find ourselves about to cast really a historic vote. In March 1995 the Senate failed by one vote to pass this measure, a measure that has been demanded by the American people, this measure that is absolutely necessary if we are going to rescue America from bankruptcy of our children's or our grandchildren's generation.

It has been pointed out on this floor that the Federal debt is already more than $5 trillion, the figure that is hard to even comprehend. Next year Americans will pay about $240 billion just to meet the interest payment on that debt. That is almost $1,000 for every man, woman, and child in this great country. You know, it is really money for nothing. That money is not just to educate our children or fight the drug problem or find a cure for cancer. It is simply a transfer payment from the future to the past. We need to reduce those interest payments. We need to start investing in the future instead of the past. But until the annual budget is in fact balanced, all we are doing every day, every month, and every year is adding to the problem. Congresses of both parties, Presidents of both parties, all have compiled a spectacular record of failure in dealing with this fundamental issue.

That is why I believe it is time to make a fundamental change in the way we deal with it. I am not one who thinks we should tamper with the Constitution. I do not like to amend the Constitution. But I believe in the age-old principle, ''If it ain't broke, don't fix it.'' I think it is broke this time. I think we have a problem, and we have to have a fundamental fix. We have to change the way we do things.

Mr. President, there are 5 trillion reasons convincing me that in this case our system is broken and it is time to fix it. The people of this country demand change. People of my home State of Ohio demand change.

As I was thinking about this issue, I was reminded of the crusade that a former Member of this body who represented the State of Ohio for many, many years had to say about this. Frank Lausche was and remains a legend in Ohio politics and Ohio government. He served many terms as Governor of the State of Ohio and several terms as U.S. Senator. From the time he was Governor, throughout his career here in the Senate, one theme kept recurring, and that theme was fiscal responsibility. I remember, Mr. President, as a young boy hearing grown-ups talk about what Frank Lausche was doing as Governor. There was a little debate going on. One of them said, ''It is terrible. They are running a surplus. The Governor is running a surplus this year. He should be distributing that money. We have some projects and things that we need to have done.'' That was the kind of person Frank Lausche was. He was a person who believed in fiscal responsibility.

Let me cite what Senator Lausche said in 1962 on this floor. In 1962, Frank Lausche rose in this Chamber, and this is what he told his colleagues. Remember, this is 1962.

> The sheer size of the extravagant Federal budget has made it impossible in the Chamber of the Senate to guard adequately against extravagant spending. The present debt is too high relative to our general assets. Instead of reducing the debt since World War II, we have raised it from $255 billion to a presently proposed $308 billion. The unabated increase in the national debt is a threat and danger to our security and to our freedom.

That was Frank Lausche, U.S. Senator from Ohio, in 1962. Mr. President, the $308 billion that Senator Lausche was talking about was not the interest on the national debt; it was the total national debt in 1962. The distinguished Senator from Ohio, Senator Frank Lausche, was right. Unless we make fundamental changes, the problem is only going to get worse and worse and worse. It is time, long past time that we do something about it. And today is our opportunity to cast a vote that will change the direction of this country and to cast a vote that really will make a difference.

Mr. President, I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Well, Mr. President, here we are engaging in the same old political flimflam, talking about a constitutional amendment to balance the budget while at the same time talking about giving away a big tax cut. That is flimflam, pure and simple. It is the very same constitutional amendment that we defeated last year in the month of March. It was a bad idea then and, unlike a fine wine or an old violin, it has gotten no better with age.

The advocates of the balanced budget amendment are known to assert that amending the Constitution—here it is, the Constitution of the United States, right here. I carry it in my shirt pocket. I do not wear my shirt when I am sleeping so I do not have the Constitution that close to me when I am sleeping, but I carry it with me during each day. So they are known to assert that amending the Constitution is the only way, the only way, that we can eradicate the recurring budget deficits that have plagued our great Nation for a long time. We in the Congress, they say, lack the fiscal discipline and the moral backbone needed to make the painful and difficult policy choices that will actually bring the budget into balance.

What the proponents of this fiscal monstrosity fail to acknowledge is that the amendment itself will make none of these difficult choices. The difficult choices will remain to be made here. There is nothing in this constitutional amendment that tells us how we are supposed to balance the budget. There never has been. On the contrary, we in the Congress will still have to make and legislate choices regarding what programs will be cut and which taxes will be raised as a way of bringing about a balanced budget.

Amazingly, many proponents of the balanced budget amendment continue to asseverate their commitment to eliminate the Federal budget deficit out of one side of their mouth while supporting substantial tax cuts out of the other side. Certainly that remarkable oral dexterity calls into question the real possibility of actually achieving budget balance.

Just last year, as I hope we will all remember, the majority in this body voted for a budget resolution that called for approximately $250 billion in tax cuts over a 7-year period. That is money that we will have to borrow. We will have to borrow that money to finance that tax cut. And it will be money borrowed at interest.

We continue to talk about children and grandchildren and how they will bear the burden of our continuing fiscal unwisdom if we do not balance this budget. We voted for a huge tax cut. We have to borrow the money at interest to finance that tax cut. And who will pay that interest? On whom will that burden be laid? On our children.

In hindsight, that figure of $250 billion seemed almost reasonable when compared to the more than $350 billion in tax cuts approved by the other body last year under the aegis of the so-called Contract With America—the so-called Contract With America.

You do not hear much about that so-called Contract With America these

days. The glitter has worn off, and I said on this very floor that the worm will turn. The worm will turn. And it did. It has turned.

You do not hear much about the so-called Contract With America. Why? Because that so-called Contract With America was not a contract with America. This is the real contract with America, the Constitution of the United States—over 200 years old. That is the contract with America. That is the contract to which I have sworn an oath to support and defend. Many times I have sworn that. That is the real contract. And here today we are saying, amend it, amend this contract.

Simply put, combining huge tax cuts in a deficit reduction package while at the same time proclaiming the invincibility of the balanced budget amendment is entirely and completely inconsistent. How can anyone seriously and with a straight face suggest that the best way to dig ourselves out of a massive fiscal hole is to start by digging the hole a little deeper? Where is the logic in that? It defies simple common sense. And yet here we are, after a year of stalemate between the Congress and the President, and once again the majority has approved another budget resolution that includes large tax cuts for the wealthy. On the surface, the $122 billion in proposed revenue reductions may appear modest. In reality, though, a closer reading of the budget resolution reveals that the actual tax cuts may be far greater than $122 billion and could go as high as $180 billion or more. So, Mr. President, we will soon be considering, under fast-track reconciliation procedures, Republican tax cuts in the range of $200 billion. Can you believe that? These same Republicans who are constantly touting their courage and their prowess in making the hard decisions to cut the deficit and balance the budget have chosen to use the reconciliation process to enact freestanding tax cuts totaling $200 billion. I have been in politics 50 years. It is easy to vote for a tax cut. That is no sweat for anybody. That is the easiest thing, coming or going. Vote for a tax cut. So they are at it again. And they are doing so at the very same time they are trumpeting the merits of a balanced budget amendment. One has to have a nimble mind indeed to perform the intellectual gymnastics it takes to reconcile the two positions.

And now we have presidential politics coming to the fore in a big way. The Washington Post reports that sweeping tax cut proposals are under consideration by the Republicans, and one proposal would allow workers to deduct their payroll taxes from their income tax returns. The cost of that proposal to the Treasury over the next 7 years would be a whopping $350 billion. In addition, the Post reports that a 15 percent reduction in Federal income tax rates is also being considered. That particular proposal would result in lost revenues to the Treasury over the next 7 years of $630 billion.

Nor is President Clinton without fault when it comes to proposing tax cuts at the same time we are attempting to balance the Federal budget.

I voted against the President's budget. I am the only Democrat who did so. And I did so because he was cutting discretionary spending, the discretionary funding of programs that are so important to the well-being of our fellow Americans, and because he was advocating a tax cut also.

In addition to the President's proposed tax cuts in his 7-year balanced budget plan, as late as Tuesday of this week, in what was billed as a major speech at Princeton University, the President unveiled additional tax cuts, so we are going to have more in this bidding battle between the Republicans and the Democrats. So he proposed additional tax cut measures that would allow tax credits of $1,500 to college freshmen and sophomores at a cost of many billions of dollars.

Not every high school graduate should go to college. I have seen students in college who had no business being there.

How can these frantic revenue reduction efforts by both political parties be squared with the florid rhetorical fulminations we constantly hear about the critical necessity for balancing the budget?

As I have said many times on this floor, this amendment is nothing less than sheer folly, folly, just as the propositions for tax cuts at the present time are sheer folly. It is like getting on two horses and starting off in two different directions at once.

This amendment is a sham. It is a charade. And it will not help to balance the budget one whit. As these tax cut proposals show, this amendment is simply being used as convenient cover for politically inspired massive tax giveaways, which will be paid for by our children and our grandchildren. The interest on those tax giveaways will be paid for by your children and mine, and your grandchildren and mine.

To make matters even more unbelievable, just this week, even under the shadow of the balanced budget amendment we saw an attempt to spend $60 billion on a missile defense system that the Pentagon does not want and that this Nation does not need if we are serious about balancing the budget. I hope all Senators will think very hard about the message we are sending to the American people with these impossibly contradictory actions on the Senate floor. They do not make sense economically, and, unfortunately, when you think about them carefully, they do not even make sense politically. Tax cuts, while always popular, become addictive in election years. But I nevertheless believe the American people will clearly understand that these tax cuts represent nothing more than political pandering—political pandering to win votes at the expense of serious deficit reduction. The American people can see through political pandering. They do not like pandering. They do not like to be pandered to. But it is easy to see through it, is it not?

To have the same proponents of the balanced budget amendment preach the gospel of tax cuts while we are trying to balance the budget is entirely inconsistent with common sense. It reminds me of an Elmer Gantry revival meeting: Come on in, politicians. Come on in. Walk the sawdust trail. Get baptized with the holy water of the balanced budget amendment. Hallelujah. Come get it and then go on about your business, and sin, sin, sin.

We do not need a constitutional amendment to balance the budget. We do, however, need discipline and self-restraint. We must not repeat the experience of the 1980's where massive tax cuts were matched by the doubling of a peacetime defense budget from 1981 to 1991.

I have come to the mourners' bench many times. I have confessed my mistake in voting for both. So I did not come in with clean hands. I voted for that tax cut, the Reagan tax cut. And I voted to increase those deficit budgets. But at least I came to the mourners' bench and have confessed my waywardness in going astray.

That is not what the American people want. No one is clamoring for a return to the fiscal calamities of the last decade. No one, it seems, but those who are bent on irresponsibly trying to claim that a balanced budget, reductions in revenue, and large increases in defense spending are all goals which can be achieved.

On the contrary, achieving budget balance will take a combination of spending cuts in all areas of the budget and some tax increases, instead of tax cuts.

If we are really conscientious and sincere, if we really mean that we do not want to foist this great deficit burden upon our children, if we really mean that, if we really love our children that much, then we have to put aside this folly, utter folly, regarding a tax cut at this time. There are times when tax cuts are advisable, but not now.

So that is the reality of it. We prefer to pander, pander to the American people. And if there is anything that makes me sick as a politician it is a politician who panders. To propose to amend the Constitution when we are so obviously unwilling to make those hard choices is to promote a vain hope and to perpetrate a falsehood on the American people, on those people who are looking through that electronic eye. This balanced budget amendment should be again defeated. It is little more than a political mirage in a vast, dry desert of empty election-year promises.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I yield myself the time that is available under the time originally allocated to Senator BYRD. I understand that is another 5 minutes.

The PRESIDING OFFICER. The Senator is correct. The Senator has control until 11:10.

Mr. DORGAN. Mr. President, I heard a generous discussion this morning on the floor of the Senate by the Senator from New Mexico, the Senator from Utah, and the Senator from Wyoming. I felt it necessary for a few minutes to at least respond to some of those comments. I have great respect for all of those Senators. But I respectfully believe that they are wrong on the issue of Social Security and its relationship to the balanced budget amendment.

I observe again the history so that people understand where we are. These facts I expect are not in dispute. In 1983 it was determined that Social Security was going to be in some longer-term difficulty and a Social Security reform package was enacted by the Congress. I was a part of that because I was a part of the Ways and Means Committee in the U.S. House that actually originated the legislation.

In that legislation we determined to do something very responsible. We determined to trim back some benefits in Social Security, extend the age for Social Security recipients from 65 to 67 over a long period of time and raise some payroll taxes, all of that in order to create a yearly surplus in the Social Security trust funds to save it for the long term.

This year $69 billion more is being collected in the Social Security trust fund than is needed this year for Social Security. Why is that the case? Is that an accident? No. As I said yesterday, we recognized that the war babies were going to retire after the turn of the century. America's largest baby crop would hit the retirement rolls. That is going to cause maximum strain on the Social Security system.

I said yesterday, partially tongue in cheek, that the war babies resulted from an outpouring of love and affection in this country, immediately following the Second World War, and people getting back together and reacquainted, and the largest production of babies in the recorded history of this country.

After the turn of the century—2005, 2010, 2015—those babies will become eligible to hit the retirement rolls. At that point we needed to have some planning in the Social Security system for funds to be available to meet those needs.

This year $69 billion in excess money is being raised in the Social Security system. It is not an accident. It is a deliberate, forced national savings to be available to meet the needs after the turn of the century.

My friends on the other side of the aisle say, ''Well, that is not special money. That's just regular money. We put it right into the old operating budget of the Federal Government and count it as other revenues.'' In fact, they count it as other revenues such so in the year 2002, when they say their budget is in balance, if you took the Social Security money out of their budget, it would be $108 billion in deficit. But they say it does not matter. It is all the same money.

It is not the same money. Someone working this morning has a tax taken out of their paycheck, and they are told by this Government that is a Social Security FICA tax that is going to be put into a trust fund and can only be used for one purpose—not for offsetting against building star wars, not as an offset against cutting taxes for the wealthy—it can be used only to put in a trust fund to be used for the Social Security needs of the future.

But that is not what the majority party wants to do. They want to take that enormous amount of money, raised by a aggressive payroll tax, and slide it over here into the operating budget of the Federal Government and say, ''By the way, now we've got more revenue over here so we can build the star wars project for $60 billion. We can have big tax cuts. We can do all of these things that we want to do even as we claim to want to balance the budget.''

I do not allege that they are not operating in good faith. I only say that they are wrong on the issue of Social Security.

One person who spoke this morning said there is no trust fund. One who spoke this morning said there was a trust fund, and we are not misusing it. Another said there is a trust fund, and we are misusing it, and we promise to stop by the year 2008. The three stages of Social Security denial.

If we are willing to do what is necessary, what we promised workers and retirees we would do in 1983, we will set aside the Social Security revenues in a trust fund, not count them as part of the operating revenue, balance the budget honestly, and move on.

That is our job. That is our task. We will offer a unanimous consent request on the floor of the Senate to allow a constitutional amendment to be offered which I voted for previously that is identical in every respect to the one offered by the majority party with one exception. That is, section 7, which will describe that the Social Security surplus funds shall not be counted as part of operating revenues.

If they agree to that, they will get 75 votes for their constitutional amendment. I yield the floor.

Mr. HATCH. Mr. President, this is the only balanced budget amendment that has ever passed the House of Representatives. It is the only one that has a chance of passing both Houses. All of the unanimous consent requests in the world are not going to bring up an amendment that will be acceptable to both Houses, except this amendment. Everybody knows that. For these people to bring up another amendment at this late date is just a subterfuge.

There have been six Democrats who before have always voted for the balanced budget amendment but have been using the Social Security pretext as a charade to cover their backs. Last year, every one voted for Clinton's 1997 budget that does not protect Social Security in the way they want it protected. I do not think they argued with the President to get that in there. The fact is, it is a charade. I hope everybody knows it.

Not only did the Clinton budget of 1997 not balance in the year 2002, under CBO's more cautious economic and technical assumptions. Without Social Security receipts and assets and deficit calculations, it would have been $184.5 billion out of balance in the year 2002. It is just phony. Without Social Security's receipts and assets in deficit calculations, the Clinton budgets would never balance. The fact is the Republican budget would be balanced by the year 2005 without Social Security.

These people argue that they want to protect Social Security, yet they make the situation worse for Social Security by not voting for the balanced budget amendment that would protect it. We keep the status quo of setting up budgets that do not protect Social Security like they want to protect. How phony can you get?

As a matter of fact, let me quote Washington columnist Charles Krauthammer, who has exposed twice the Clinton position, the administration's unconscionable human-shield strategy that they are protecting Social Security. In a column entitled, ''Social Security Trust Fund Whopper,'' he writes:

> In my 17 years in Washington, this is the single most fraudulent argument I have heard. I don't mean politically fraudulent, which is routine in Washington and a judgment call anyway. I mean logically, demonstrably, mathematically fraudulent, a condition rare even in Washington, and a judgment call not at all.

Now, when the two Senators from North Dakota replied in print to his chart, Krauthammer went further and said this:

> Their response is even more fraudulent than their original argument. Conrad-Dorgan profess indignation with this 'pundit' who 'condones the use of the Social Security surpluses' for 'masking the size of the budget deficit.' Well, well. Where is their indignation with a President who does not just condone this practice but has carried it out three years in row? By their own logic, the President, who is of their own party, has looted the Social Security trust fund by $47 billion in 1993, another $56 billion in 1994, and plans to loot another $60 billion in 1995. Makes you wonder about the sincerity of their charge.

Mr. DORGAN. Will the Senator yield?

Mr. HATCH. If I had time, I would yield. Ordinarily, I would.

Conrad-Dorgan's Social Security argument, writes Time magazine, is, to put it politely, ''mendacious nonsense.''

Now, that is Charles Krauthammer, who generally writes it the way he sees it. I have to say I see it that way, too. I really believe that those who claim they are arguing to protect Social Security are not protecting it at all.

This is the only balanced budget amendment that could pass. Being the only one that can pass, the fact of the matter is there is going to be no protection when it is voted down today, and this President is going to continue to put up budgets that literally do not protect it, either. To use the term of my distinguished friends from North Dakota, ''will continue to loot Social Security.'' Yet, they voted for those budgets.

To me, there is something inconsistent here. The only chance in the world, the only chance in the history of this country to have an amendment that will put some fiscal discipline into the Constitution, and they are voting against it under the guise they are protecting Social Security, when, in fact, they make Social Security worse because they put off further doing anything about it. To me, that is absolutely amazing.

Mr. President, I yield a minute and a half to the distinguished Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to compliment Senator HATCH from Utah for his leadership, as well as Senator CRAIG from Idaho for his leadership, as well as Senator SIMON, and most of all, Senator DOLE, for his leadership, because they strongly support passing a constitutional amendment to balance the budget, as the American people do.

Mr. President, I heard my distinguished colleague from West Virginia pull out the Constitution. I know he has great respect for the Constitution, as I do. A statement Thomas Jefferson made in 1798 I will quote:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for reduction of the administration of our government to the genuine principles of its Constitution. I mean an additional article taking from the Federal Government the power of borrowing.

Thomas Jefferson was right. He was right in 1789. It is the right thing to do today.

Also, Mr. President, I will read a letter from the Governor of Oklahoma, addressed to the President of the United States.

> DEAR MR. PRESIDENT: On Friday, May 31, at 4:59 p.m., the Legislature of the State of Oklahoma adjourned its 1996 session. Not once during that four-month session was there a moment of discussion about deficit spending. Not one penny was appropriated to pay interest on a state debt. No bill was passed that spent a cent in excess of actual state revenues—all because the Constitution of Oklahoma contains an amendment that requires a balanced budget.
>
> The Balanced Budget Amendment to the United States Constitution will be considered in the Senate this week. I urge you to follow the examples of 49 of our 50 states—including Oklahoma and Arkansas—and support this effort to import common sense from the states to Washington.
>
> Sincerely,
>
> FRANK KEATING.

Mr. NICKLES. Mr. President, we need to pass this amendment today. The House has passed it. The Senate came within one vote last year. We need to pass it this year. We need to pass it today and send it to the States for ratification.

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

The PRESIDING OFFICER. The Senator from Utah has 1 minute and 19 seconds.

Mr. HATCH. I yield to the distinguished Senator from North Carolina and then the balance of the time to the Senator from Idaho.

Mr. FAIRCLOTH. I repeat what has been heard many times here today. I believe this is the most important vote we are going to cast this entire year in Congress. I strongly support the constitutional amendment to a balanced budget. We need it to save the country.

Mr. President, $5 trillion of debt is too much.

Mr. President, I rise in strong support of the balanced budget amendment. Last March, as we debated this amendment, I noted the great importance of this issue.

I believe that this is more true today than it was last year.

Government spending has put the American people $5.1 trillion into debt. In this Chamber, we often speak about the national debt as the Federal Government debt, but, of course, this debt will be paid by the American people.

The American people—not the Federal Government—will work to pay the taxes that go toward these Treasury bonds. The American people—not the Federal Government—will manufacture products, raise crops, program computers, and do the millions of jobs that generate growth in our economy. So, although we are entrusted to spend the money that the American people work to earn, we continue to struggle to balance the Federal budget.

This Congress passed a balanced budget—the first legitimate balanced budget plan in a generation—but the President vetoed it.

This Congress made the tough choices, but the President exploited our good work for political advantage, and he demagoged the issues. Unfortunately, without the Amendment as an enforcement mechanism, I do not believe that a balanced budget will be passed and signed into law. It stops the posturing and the revolving votes and the other games that will bankrupt the next generations.

I am not eager to amend the Constitution. We have done so just 27 times in over two centuries. It is a serious matter. Senators are right to take pause before casting a vote to amend our Constitution. Unfortunately, however, I have concluded that this amendment is necessary. The national debt is just too large.

In the 1820's, President Andrew Jackson, a North Carolinian by birth, called the national debt ''a curse to the republic'' and ''incompatible with real independence.'' In the early 19th century, however, the Federal Government was disciplined and successfully paid off the national debt.

That is no longer true today.

The specter of a $5.1 trillion national debt is apparently insufficient to force this Government to bring the budget into balance. Interest on the national debt, which we continue to wrack up, is the third largest component of the Federal budget. The average taxpayer will send $882 to the IRS in 1996 just to pay the interest on the national debt. Interest alone will consume 41 percent of the income taxes that the American people send to the Treasury.

If these facts do not shock us into support for a balanced budget—not rhetoric, Mr. President, but votes for a balanced budget—then we are forced to amend the Constitution. We owe it to the next generation.

The average child born today faces a lifetime tax burden of $187,000 just to pay the interest on the national debt. In effect, we hand a $187,000 bill to every newborn American along with his birth certificate. We do this because the President vetoed the first balanced budget in a some 20 years.

In this Chamber, we often speak about obligations to future generations, but we are imposing trillions of dollars of debt upon our children and grandchildren. How many of us look forward to explaining this to them?

How can we explain this to them? What will we say? Can we really tell them that it is fair to welcome them to the world with a $187,000 bill? All because we do not want to offend the groups that line up for a piece of the Federal pie.

President Clinton talks about deep cuts and draconian cuts. What cuts will our children make in their family budgets to pay off this $187,000 bill? All because the President will lose a campaign issue if we slow the rate of increase in Federal spending. Is that really too much to ask?

There are claims on the other side of the aisle of support for a balanced budget. However, the first balanced budget in a generation passed in this Chamber on November 18, 1995, with no Democrat votes, and it was vetoed by a Democrat President.

The Constitution, as we all know, was amended to permit the imposition of an income tax. I hope that few Senators consider the 16th Amendment amongst the more high-minded provisions of the Constitution. Mr. President, if we can amend the Constitution to increase taxes on the American people, I hope that we can amend it to ensure that their government spends their hard-earned money responsibly.

Thomas Jefferson first read the Constitution upon his return from France

and recommended that the Constitution include limitations upon the powers of the Federal Government to borrow. Mr. President, if we do not impose a restraint on the power of this government to borrow, we will not balance the budget and ensure that it remains balanced.

Mr. CRAIG. Mr. President, let me thank the chairman of the Senate Judiciary Committee and senior Senator from Utah for the tremendous leadership he has played in this critical issue of a constitutional amendment requiring a balanced budget.

The record must show, Mr. President, and it must show it clearly, if Social Security is to remain solvent into the next decade and into the next century, the budget of the Federal Government must be balanced. The only security for Social Security is a Government that lives within its financial means. If our Federal Government goes bankrupt or if we demand of our citizens that they pay an 85 to 90 percent tax on their income, then Social Security and every other security program for people in our country is in jeopardy.

I am sorry the other side of the aisle does not get it, and they do not get it. We have heard one phony argument after another, that somehow balancing a Federal budget in one way or another damages Social Security. Yet, the very Social Security actuarials, the people who watch the programs, say if you want to save Social Security you balance the Federal budget.

Today, we have that opportunity as a U.S. Senate to secure for the future Social Security by allowing the American people—let me repeat, by allowing the American people—the right and the opportunity to vote on whether they want this Government to balance its budget by passing a balanced budget amendment to our Constitution.

Mr. President, I rise in support of the motion to reconsider House Joint Resolution 1, the balanced budget amendment to the Constitution.

LESSONS OF HISTORY VERSUS BLAMESMANSHIP

If the debate this week has shown anything, it is this: the case for the balanced budget amendment is compelling; there is not one good argument against it.

The worst thing you can say about the amendment is that maybe Congresses and Presidents will have the courage to do the right thing without it.

In reality, if the Constitution doesn't require balancing the budget, it just won't happen.

We've heard a lot of blamesmanship on this floor, disguised as history lessons.

Democrats blame the past debt on Reaganomics. Republicans blame 40 years of free-spending by Democrat Congresses.

But this debate isn't about the past. We can't change the past. This debate is about our future.

Our economic house is on fire. Instead of arguing over who has the matches in his pocket, let's put out the fire.

THE OUTLOOK IS GRIM—BUT THERE'S TIME TO ACT

The greatest threat facing our country is the mounting national debt that drags on our economy and threatens to destroy the American Dream for our children.

A new study by the Congressional Budget Office says that, if we do nothing:

> In less than two generations, the Federal debt and interest payments on that debt will consume, not the entire Federal budget, but the entire American economy.

Their words, not mine: The numbers are ''not computable,'' meaning the ''debt would exceed levels that the economy could reasonably support.''

This is not a temporary problem, it is a Constitution-class crisis.

This is what the Constitution is all about: protecting the liberties of the people by putting limits on a power that the Government is too tempted to abuse.

The good news is that we still have time to act. That opportunity will not last forever. But if we act now, we can: create 6 million more jobs by the year 2002; make homes, education, and family necessities more affordable; provide greater security for our senior citizens; and raise our children's standard of living by a third.

The debt is the threat. The balanced budget amendment is the answer.

SOCIAL SECURITY

I understand Senator WYDEN will try to offer an alternative amendment later today which would exempt Social Security.

Several Senators are simply hiding behind this red herring. Former Senator Paul Tsongas, a Democrat, has said:

> It is embarrassing to be a Democrat and watch a Democratic President raise the scare tactics of Social Security.
>
> Those who vote to exclude Social Security are voting to kill the Balanced Budget Amendment. It is that simple, it is that clean, and should be stated.

Under every alternative proposed by Senators WYDEN, HOLLINGS, FEINSTEIN, REID, DORGAN, or DASCHLE, the Federal Treasury would continue to borrow the Social Security surplus. Why don't they tell us this?

Ask them. Ask them, Where will Social Security surpluses be invested under their plan?

Answer: They change the bookkeeping, not the borrowing.

The difference is, their alternative is more loophole than law; their alternative would allow unlimited deficit spending, as long as you call it Social Security.

That would mean more borrowing, more debt, and a bankrupt Social Security system.

Senior citizens understand the debt is the threat to Social Security. A bankrupt Federal Government will not be able to send out Social Security checks.

THE PRESIDENT AND THE FLIP-FLOPPERS

Last year, President Clinton twisted arms; he made phone calls; he sent cabinet secretaries to Capitol Hill; and he got six Senators to vote against their previous positions, their consciences, and their constituents.

Before then, this issue had always been bipartisan and should have stayed that way.

But President Clinton and the powerful, liberal, special interest groups realized that the 104th Congress really was ready to send this amendment to the States.

So I say, Mr. President, release your hostages. Let our colleagues go. Free the ''BBA Six.''

SEND THE BBA TO THE STATES—LET THE PEOPLE DECIDE

Balanced budget amendment opponents just don't trust the people.

Let's remember, Congress doesn't amend the Constitution.

We merely propose amendments that the States, that the people, decide whether to ratify.

We are saying, let the American people exercise their constitutional right to start the debate in earnest—a debate in every State capitol and every coffee shop over the very future of this country.

ACKNOWLEDGMENTS

As we move toward concluding this debate, I would like to thank and acknowledge the years of hard work and leadership by several of our colleagues in this effort including:

The President pro tempore, Senator THURMOND; the chairman of the Judiciary Committee, Senator HATCH; Senator HEFLIN on the Judiciary Committee; and the distinguished majority leader, Senator DOLE; and in the House, Congressmen CHARLIE STENHOLM and DAN SCHAEFER, with whom I have worked for years on this amendment.

I want to pay a special tribute to Senator PAUL SIMON. The Senate and the nation will suffer a great loss when he retires.

It has been said of Ronald Reagan, and I say it of PAUL SIMON, in an age when many are cynical about our political leaders, he is proof that a great man can also be a good man.

When we do eventually pass this amendment, it will be a monument to his years of leadership in putting principle above partisanship.

Let the debate go forward to the State capitals of this Nation. That is where this issue will go. Vote for this amendment. It is absolutely critical to our Nation.

Ms. MOSELEY-BRAUN. Mr. President, today the Senate is considering one of the most important measures that will come before it this Congress—the balanced budget amendment to the Constitution. As I have stated before, and can't emphasize enough, it is critically important that we address balancing the budget because that is the only way that we will be able to do anything about American priorities.

As reluctant as I am to tinker with the Constitution, I believe that the arguments for a balanced budget amendment are compelling. We owe it to our children—and their children—to get our fiscal house in order. If we fail to do so, our legacy to future generations will be one of greater problems and diminished opportunities.

Passing a balanced budget amendment will not prevent the Government from acting to help address problems, and working to help create expanded opportunity for Americans. And defeating a balanced budget amendment will not guarantee the Federal Government's ability to act on behalf of the interests of the American people. The truth is that, whether a balanced budget amendment becomes part of our Constitution or not, the only way to preserve Government's ability to act is to face our underlying budget problems—honestly and directly—and to solve them.

If we do nothing, the Government's ability to act to address issues important to the American people will continue to be eroded. Only by balancing the budget will we be able to reclaim the Government's ability to make important investments in our communities, such as fixing crumbling schools, investing in mass transit, providing pension security, and ensuring that our airways are safe.

Since 1980, we have added more than $4 trillion to the national debt. If we do not eliminate our run-away deficit spending, we will not be able to ensure that future generations have the same opportunities we enjoyed. We will not be able to ensure that our children and our children's children will be able to achieve the American dream.

As I learned through my work on the Entitlement Commission, unless we get the deficit under control, by the year 2003, mandatory spending—entitlement, plus interest on the national debt—will account for fully 72 percent of the total Federal budget. These few program areas already consume almost two-thirds of Federal resources. If we don't act now, if we wait until the country is on the brink of financial ruin, we will have totally failed to meet our obligation to the American people and to our country—and our children will pay the price for our failure.

For example, current recipients of Social Security and those of us in the baby boom generation who will be collecting checks in the not so distant future, have an absolute expectation that Social Security will provide for our retirement. Social Security, thus far, has been a wonderful success, but that success is in danger. In a report released June 5, 1996, the Social Security and Medicare boards of trustees stated that, by the year 2012, the Social Security trust fund will begin spending more than it takes in. And by the year 2029, the Trust Fund will have exhausted all of its resources. And even the current Social Security surpluses will not stave off the coming fiscal crisis for many more years. To meet Social Security's obligations after 2012, the Federal Government will come up with more cash by raising taxes, making cuts in other parts of the budget, or issuing more debt. Right now, we are using Social Security surpluses to mask the deficits. After 2012, when there are no more surpluses, Federal deficits will really begin to explode, an explosion fueled by the looming retirement of the baby boom generation. The balanced budget constitutional amendment will not solve these problems, but it will make it much more likely that we face them while there is still time.

Making the balanced budget amendment part of our Constitution is a demonstration that we are willing to face our long-term fiscal problems, and that we are prepared to act. The amendment will impose on Congress the fiscal discipline to do what should have been done years ago. If we don't act now to stop our run-away deficit spending, there will be nothing left for education, for infrastructure, or even for national defense.

We have an obligation to the American people to discharge our debts and not leave them with daunting burdens that should have been addressed years ago. We need to make the balanced budget amendment part of the U.S. Constitution.

Mr. KERRY. Mr. President, we have had this debate before. But more than talking about someday in the future balancing the budget we should be balancing is now.

Since the last debate, we have had ample opportunity to balance the budget—not just attach our names to a constitutional amendment which does nothing to get us to balance. We are here arguing about the requirement rather than doing the hard work necessary to succeed in that effort.

Mr. President, every Member of this body has voted for one plan or another to balance the Federal budget by the year 2002. We have all done that, Mr. President.

Last year, I voted for the Conrad budget and this year, I voted for the President's budget. Both plans brought us to balance by the year 2002.

This amendment will not force differing parties to come together—the parties must do that themselves with the same energy with which they debate this issue.

Over the past year, I have weighed this issue carefully—I have reexamined my opposition to this constitutional amendment as drafted and reviewed all the arguments in this debate. I have read and re-read historic documents, analyzed committee hearings and the report language, and carefully assessed the impact of this amendment on Massachusetts and the country as a whole.

And, Mr. President, after this review, I arrive at the same conclusion—we do not need this amendment as drafted to balance the budget. Everything in this debate must be viewed with that truth in mind. We do not need this amendment to the constitution. It is superfluous. And passing it will not magically balance the budget.

The proponents of this amendment have said in the Chamber time and again that by constitutionalizing the fiscal principle of a balanced budget, a new moral power will overcome members of Congress. To quote the committee report on this subject: ''The Committee expects fidelity to the constitution, as does the American public.''

Needless to say, there is an extraordinary statement of pathetic admission in this glorification of a new moral authority.

Here are elected officials, already sworn to defend the Constitution which means defending the general welfare of the nation; already granted, at the highest level of Government, major responsibility to carry out the public trust. We are individually already on record in town meeting after town meeting—in editorial board after editorial board—in campaign promise after campaign promise—in support of a balanced budget.

And yet, here we are, being told that words on a piece of paper will somehow provide the moral force to accomplish what nothing but the lack of personal moral commitment prevents them from doing today, right now.

Tragically, Mr. President, this amendment as drafted is neither fair nor neutral. It has been drafted in a way as to create an amendment with an agenda.

This amendment goes well beyond fiscal responsibility and constitutionalizes the politics of the moment—the immediate political agenda of the current majority—in a way that may ultimately do violence to the genius of our Constitution and our form of democracy.

When the veneer is stripped from this amendment, we see a deeply troubling political motive that goes well beyond just balancing the budget—which, by definition, cannot be the only reason for this amendment since the proponents already have the authority to balance the budget today. They can do it today. And we have voted on plan after plan to bring the budget to balance.

Mr. President, this amendment goes further than balancing the budget—it goes to the heart of our democratic process.

It carries with it a fundamental shift in the exercise of decisionmaking in America.

Those who are using this amendment as a weapon in an ideological war do not want the votes of those who think differently to count as much as theirs. It's that simple.

If there is a possibility you may ever reach a different conclusion than they have, they want to make certain that your vote will not count equally by requiring that you must find a super-majority to fight back.

This is wrong, Mr. President, it is undemocratic, and fundamentally revolutionary in the worst sense of the word.

But, Mr. President, that is not all that is wrong with this amendment as drafted—though it would certainly seem to be enough.

This amendment as drafted will encourage budget gimmickry. It invites the worst type of cynicism. The experience of States with balanced budget requirements only bears this out. The proponents of this amendment have argued that the experience of States with balanced budget requirements makes a constitutional amendment obvious—but realities in budgeting demonstrate the exact opposite to be true.

I take to heart the testimony of the former comptroller of one State: Edward Regan of New York told the Congress that many States with balanced budget requirements achieve compliance only with ''dubious practices and financial gimmicks.'' These gimmicks include shifting expenditures to off-budget accounts or the financing of certain functions to so-called independent agencies. These States have been creative with tricks and ploys to mask their deficits.

My distinguished colleague from Vermont, Senator LEAHY, has illustrated some of the shenanigans in his lucid critique of this amendment—he talks of States using ''accelerated revenue receipts such as tax payments, postponing payments to localities and school district suppliers, delaying refunds to taxpayers and salary and expense payments to employees until the next fiscal year, deferring contributions to pension funds or forcing changes in actuarial assumptions, and selling States' assets.'' And this amendment does nothing to stop the Federal Government from employing the same tactics and dozens of others.

Mr. President, consider the effects of these gimmicks on the people in this country. Postponing payments? Withholding funding for schools? Delaying refunds to taxpayers? Deferring pension contributions? Selling our national assets?

That will be the result of this amendment, Mr. President.

I oppose this gimmick. And I do so principally because I have come to believe this is an ill-advised attempt to memorialize, in the fundamental governing document of this democracy, budget gimmicks and one political party's fiscal agenda.

This amendment as drafted, Mr. President, is political dogma disguised as economic policy. It is the continuation of an ongoing effort to demonize national interests by demonizing those who promote any kind of national programs to protect the American concept of community.

The gimmicks engendered by this amendment will assist the victory of stagnant partisan politics over sound public policy, doing what's smart politically rather than what's good for the American people.

The budget process of the U.S. Congress already gives us the means to balance the budget. The Constitution already gives us the authority. We have all voted on plans to balance the budget by the year 2002. Let us get on with negotiating a plan that works for the American people—bring this budget into balance and protect services the American people depend upon.

I stand in strong support of a balanced budget, Mr. President and have voted for balanced budget plans, but I am still opposed to amending our statement of rights, our Constitution, with this particular resolution.

If the majority wants a balanced budget, as I and other Democrats do, we should spend our time balancing the budget. It's axiomatic. It is simple. It is time.

I yield the floor.

Mr. HATFIELD. Mr. President, on February 8, 1995, I addressed the Senate regarding my views on a constitutional amendment that would require a balanced Federal budget. I stated at that time that I was opposed to an amendment to do something that can be done without a change to the Constitution. My position on this matter, some 13 months later, has not changed.

However, I would like to take a few moments to point out some things that have changed over the past 13 months. The first is that the 104th Congress, with a majority of Republicans in each Chamber, voted and passed legislation which would have balanced the budget by 2002. That legislation contained painful decisions for all Members—Democrats and Republicans. But in the end, Congress was able to do something that few people thought was politically possible, it passed a balanced budget. I think it is important to note that the success in the Senate and House of this effort was due in large part to the outstanding leadership of Majority Leader DOLE, and Speaker GINGRICH, as well as Senator DOMENICI and Congressman KASICH as the chairmen of the respective Senate and House Budget Committees.

Despite the achievements by the Congress to pass legislation which would have lead to a balanced budget by 2002, this bill was vetoed by the President. That does not mean that the Congress failed to make headway toward the goal of balancing the budget during the 104th Congress. I would like to note that one committee, the Appropriations Committee, was able to cut $23 billion in discretionary spending this year. As members of the Appropriations Committee in the House and the Senate know, that process was not a pretty picture. I liken it to major surgery without the benefit of anesthetics. I am happy to report that the Appropriations Committee is ready to do its part again this year.

As I have stated here on the floor of the Senate many times before, we should not, we cannot, and we will not balance the budget of the Federal Government solely on the back of nondefense discretionary spending accounts. I do not wish to slip into Washington language so I will explain what nondefense discretionary accounts actually are. Education funds are discretionary, environmental programs fall under discretionary spending, crime prevention programs come from discretionary accounts, and medical research falls under the discretionary umbrella. Do not forget agriculture programs, the State Department, housing programs, NASA, and many other programs which touch each of our lives every single day. By excluding military spending, entitlements and mandatory spending from our calculation to balance the budget—each one of these programs must bear the brunt of any reduction in spending.

Entitlement programs such as Social Security, Medicare, and Medicaid are important and vital programs—but they should not be held above everything else that the Federal Government invests in. There have even been calls by some to take a $348 billion program off the negotiating table as the key to passage of a version of a constitutional balanced budget amendment; $348 billion represented 22 percent of all Federal outlays in 1996. Compare that 22-percent program to the 17 percent of the Federal budget that represents all nondefense discretionary spending. Is it realistic to take 22 percent of the budget off the table in trying to balance the Federal budget? I do not believe it is realistic. All Federal spending should be on the table, even if it is an entitlement program—and even if that program is Social Security.

Mr. President, I support balancing the Federal budget, and I will do all that I can as the chairman of the Appropriations Committee during my last year in the Senate to see that it is done. What I cannot do is support a constitutional promise to the people of this country that its elected representatives will balance the Federal budget. Congress and the President can and should, with the support of the public, balance our budget.

Mr. LEVIN. Mr. President, I support balancing the budget. That is why I supported the President's deficit reduction package in the last Congress, which has already cut the deficit in half—reducing it for 4 consecutive years for the first time since World War II. That's why I've have voted for five specific balanced budget proposals in this Congress.

But while I will continue to stand up for real deficit reduction, I am not prepared to write into the Constitution language that is more likely to lead to disillusionment and constitutional crisis than to a balanced budget.

The proposed amendment, despite its title, would not balance the budget—it would just say that a future Congress has to pass a law to enforce a balanced budget. Why wait?

The only real way to balance the budget is to make the tough choices. Most of us have voted for budgets which balance in the next 6 years. The argument is about how to balance the

budget. We should be working toward an agreement that would complete the job and balance the budget. Unless and until we make those tough choices and bridge the remaining gap, settle the disagreement over the Nation's priorities, we will not have a balanced budget, whether or not we pass the proposed constitutional amendment.

In this Congress, both Democrats and Republicans have put proposals on the table which, as certified by the nonpartisan Congressional Budget Office [CBO], would result in a balanced budget by the year 2002. A bipartisan coalition has put its own budget plan on the table, also certified by CBO to achieve a balance within 7 years. We won't get to a balanced budget now by walking away from the table and voting instead on a constitutional amendment. That's a dodge which allows some to say we are cured before we have taken the rest of the medicine.

In May 1992, Robert Reischauer, then Director of the CBO, testified before the House Budget Committee that a balanced budget amendment is not a solution, it is ''only a repetition in an even louder voice of an intention that has been stated over and over again during the course of the last 50 years.'' Dr. Reischauer stated:

> It would be a cruel hoax to suggest to the American public that one more procedural promise in the form of a constitutional amendment is going to get the job done. The deficit cannot be brought down without making painful decisions. . . A balanced budget amendment in and of itself will neither produce a plan nor allocate responsibility for producing one.

Dr. Reischauer further stated:

> Without credible legislation for the transition that embodies an effective mechanism for enforcement, government borrowing is not going to be cut. But the transitional legislation and the enforcement mechanism are 95 percent of the battle. If we could get agreement on those, we would not need a constitutional amendment.

The public understands this. They know the difference between promises and action. And, that is why when the Senate considered this same constitutional amendment last year, I offered an amendment to require enactment of legislation to enforce the provisions of the Constitutional amendment before it went to the States for ratification. My amendment was tabled 62 to 38.

Let me tell you what some of the commentators have said about the balanced budget amendment back in my home State. Here is what the Detroit Free Press said when we debated the issue last January:

> You wouldn't take seriously any politician who promised to be faithful to his spouse, beginning in 2002, so why do so many people take seriously the proposed balanced-budget amendment?
>
> It's the same kind of empty promise to be good—not now, but later. Putting it in the Constitution isn't likely to confer on Congress the spine or the wisdom to fulfill it.
>
> . . . [T]he way to cut the budget is to cut the budget, not to promise to do it sometime in the future. . . . Gluing a balanced budget amendment onto the Constitution only postpones the moment of truth.

And here is what the Battle Creek Enquirer said, also last January:

> If a balanced budget is such a good idea, we say to Congress: Just do it!'' After all, waiting until a constitutional amendment mandates it will just delay a balanced budget—perhaps by years.
>
> This Congress isn't likely to give the nation a balanced budget, that's for certain. But, by touting the need for this amendment, it sure can talk like a Congress that already has. . . [I]t's all an illusion.

''Just do it!'' That's what the American people want. They know the difference between promises and action. A constitutional amendment can promise a balanced budget, but it cannot deliver a balanced budget. Only concrete action by the Congress and the President can do that.

Mr. President, I am also deeply troubled by the fact that this amendment, as written, would put the Social Security trust fund at risk. Time after time, my colleagues on the other side of the aisle have rejected amendments to protect the Social Security trust fund. Consequently, if we enact this amendment, we will continue running deficits of at least $120 billion a year for more than a decade, and will conceal these deficits by using the surplus in the Social Security trust fund.

The money in that trust fund should be exactly that—in trust. I cannot vote for a constitutional amendment which allows the use of trust fund money to cover up huge deficit spending. That's simply wrong.

In conclusion, Mr. President, the proposed amendment provides an excuse for Congress not to act now to reduce the deficit and it doesn't force congressional action later either. It lets us off the hook now, and there is no hook later. There is only one way to balance the budget—now or in 2002—and that is with the willpower to make the hard choices. Let's get back to work.

Ms. SNOWE. Mr. President, I rise once again in strong support of the measure that will soon be before us: a balanced budget amendment to the Constitution of the United States. No issue is more critical to the economic future of our Nation—and the economic future of our children and grandchildren—than that of balancing the budget.

John F. Kennedy once said, ''It is the task of every generation to build a road for the next generation.'' Well, Mr. President, the road we are building for the next generation is laden with the cavernous potholes of deficits and debt that threaten to swallow up our children's future prosperity. And if we fail to take the bold steps necessary to halt our reckless and irresponsible pattern of deficit spending, the road we pass on to the next generation will be nothing more than a dead end.

But, Mr. President, we have an opportunity today to alter the construction of that ''road to nowhere'' * * * and to begin to build a smooth, safe road for our children and grandchildren that will lead them into a bright future of economic security and prosperity that so many of our generation have enjoyed.

Today marks yet another historic opportunity for the U.S. Senate and for the American people. Some of us have been working for more than a dozen years for a balanced budget amendment—while others have joined the fight more recently. As a Member of the House of Representatives, I dedicated myself to passing a balanced budget amendment. Beginning in 1981, I was one of four original cosponsors of legislation calling for a balanced budget amendment—and I have cosponsored four similar measures since that time—including the resolution we are discussing today.

In the 103d Congress, I was once again one of four bipartisan sponsors of the amendment in the House, and we worked with my friend, the distinguished Senator from Illinois—Senator SIMON—to overcome institutional opposition to the balanced budget amendment. Notwithstanding the opposition of the House leadership in the 103d Congress, we nearly reached the requisite two-thirds needed for passage, only to have our hopes dashed when the Speaker of the House and Democratic leaders whipped their members into line—and urged even some Democrat cosponsors to change their votes on the bill.

Well, early in this Congress, a similar event undercut the balanced budget amendment here in the U.S. Senate. Democratic opponents—led by the President—argued that the balanced budget amendment was nothing more than a gimmick. They said balancing the budget requires nothing more than accounting sleights-of-hand. But as I have stated in the past, if the balanced budget amendment were a gimmick, Congress would have passed it long ago—because Congress loves gimmicks.

Ultimately, the President and his fellow opponents succeeded in rejecting the will of 80 percent of the American people who support this amendment and defeated it by a single vote—a single vote that could have been provided by any one of the six Democratic Members that had switched their vote from the previous year.

Fortunately, our distinguished majority leader, Senator DOLE, gave us the opportunity to revisit that shortsighted political decision by changing his vote and vowing that these six Members and other opponents would have the opportunity to reconsider their vote later in the 104th Congress. That opportunity is now upon us, and I would hope that these Members would—in the words of the majority leader prior to the last vote on this amendment—repent and vote to give the decision to enact this amendment to the citizens of their States.

Mr. President, the Senate cannot allow the opportunity to complete the first leg of this journey to pass us by. We cannot allow arrogance to triumph over the will of the American people.

This is a rare opportunity to do what is right: To set a path for a balanced

Federal budget amidst a rare common purpose. The American people have asked to give them the power to decide if such an amendment is in their best interests—and I believe the Congress has the obligation to do just that.

The action we take today will not alter the Constitution this week, this month, or even this year. Rather, our adoption of this resolution will simply allow the States to take up this proposal in the years ahead and—if those who sent us to this body also deem the balanced budget amendment worthy—only then will our Constitution be changed.

To be sure, we have tried to meet the challenge of a balanced Federal budget through other measures short of an amendment. Mr. President, they have not worked . . . they will not work.

Congress has repeatedly tried to balance the budget through statutory remedies. Each of these efforts—the 1978 Revenue Act, the 1978 Byrd amendment, the Humphrey-Hawkins Act of 1978, Gramm-Rudman-Hollings I, Gramm–Rudman-Hollings II, and the 1990 agreement following the budget summit—ended in failure.

And, Mr. President, my confidence in the wisdom of the balanced budget amendment has only been increased in light of our most recent effort to balance the budget statutorily.

As you will recall, the Republicans moved forward in presenting a bold plan to balance the budget despite the narrow defeat of the balanced budget amendment last year. Following 10 months of wrenching work and tough decisionmaking by the Republican majority, President Clinton—amidst immense demagoguery and obfuscation of the facts—ultimately vetoed our carefully crafted budget plan that would have set our fiscal ship aright. This veto came from the same President who sat out the fight during those 10 months and did nothing to move the process of balancing the budget forward.

In fact, President Clinton chose instead to first offer a budget that promised deficits in excess of $200 billion per year as far as the eye could see. Several months later, when he realized the political wind was shifting and the tide was turning in favor of a balanced budget, he pointed his boat in the direction of the wind, put up the spinnaker, and claimed that he too could balance the budget—but it would take 10 years.

Well, not only did that plan prove to be nothing but a sham that produced annual deficits of $200 billion, but it also demonstrated President Clinton's willingness to renege on a campaign promise that he made exactly 4 years ago: His commitment to offer a plan to balance the budget in 5 years. Of course, since he took office, the President has had considerable difficulty deciding how long it would take to balance the budget. First it was 5 years, then 10 years, then 7 years, then 8 years, then 9 years. And today—as a result of the vacuum of Presidential leadership on this critical issue—we still have no balanced budget agreement.

To make a long story short, the President's charade of offering balanced budget plans that did nothing but exacerbate our problems in coming years continued through all of 1995, until he finally crafted a plan that reached paper balance on January 6 of this year. The budget negotiations between the President and congressional leaders that had been undertaken at that time ultimately collapsed in late January, and we are once again faced with the daunting task of crafting a plan to balance the budget on our own with no sign of compromise from the President.

In fact, rather than come forward with a plan that would demonstrate his willingness to reach consensus and provide a real path to balance, the President's fiscal year 1997 budget continued to rely on gimmicks such as the backloading of fully 60 percent of his spending cuts in the final 2 years of his plan.

And then, less than 2 months ago, CBO told us that the President's budget did not reach balance on its own, and was in fact $81 billion out of balance in the year 2002. CBO further stated that the President would not only have to turn off his tax cuts in the year 2001 to reach balance, but discretionary spending—which is used to fund programs that many consider to be vital to our shared commitments to education and the environment—would also need to be cut by an additional $68 billion in the years 2001 and 2002 alone.

Regrettably, the President has refused to budge from his insistence on using gimmicks and budgetary sleights-of-hand to reach balance—and his latest budget proposal made no meaningful strides toward gaining bipartisan support. In light of these events, I believe we can all agree that any hope for a balanced budget agreement prior to the November election now seems unthinkable.

If we learned nothing else from the acrimonious debate on the budget of the past year and a half, it is that absent a force greater than politics, our ability to agree on a plan to balance the budget will always be held hostage to other short-term considerations. However, the enactment of the balanced budget amendment will force the Federal Government to live within its means because it will compel us to reach agreement. A balanced budget would no longer be an option, it would be an imperative. The President and the Congress would be forced to compromise or be held accountable for reneging on their sworn commitment to uphold the Constitution.

Mr. President, if we pass the balanced budget amendment, our government will be forced to break its addiction to deficit spending. The full weight and measure of the Constitution will force us to live within our means. We will no longer be able to borrow against our children's future. And we will be required to set priorities among our programs.

For 8 years, my husband served as Governor of Maine. During that time, I used to tell him that traveling between Washington and Maine was like going from fiscal fantasyland to fiscal reality for me. Because, like the Governors of 47 other States, he was required to balance the State's budget no matter what the economic conditions, or how much money they were short. That meant wrenching decisions, to be sure, but with discipline those decisions were possible.

If accountability and discipline work at the State level, we can and should make it work at the Federal level as well. Congress should be able to confront the economic realities and challenges that 48 States—and every American family—are forced to confront every day.

Mr. President, our national debt places a crippling burden on hardworking families in Maine and across our great land. The Concord Coalition compiled an analysis that suggests that without the deficit, our productivity would be much higher, and that the average American family income would be $50,000, instead of the current $35,000 a year.

How many children, I wonder, go without a proper education because of that missing $15,000? How many couples or single parents forgo proper, safe, child care because of these numbers? Is this what has become of the American dream when, by ignoring the deficit, we deny American families the opportunity to prosper financially, or even to survive economically?

Mr. President, our constituents deserve—and need—to reap the windfall of a balanced budget.

Perhaps the most devastating and alarming impact the deficit has had on our economy is its effect on economic growth and job creation. The New York Federal Reserve Bank says that from 1979 to 1989, we lost 5 percent growth in GNP and in national income because of a drop in savings caused by the deficit. According to the CBO, every percentage point lost in GNP means 650,000 jobs lost in this country. That is a devastating concept: On that basis, the deficit in those years resulted in the loss of roughly 3.75 million jobs.

Ironically, opposition to the balanced budget amendment is once again coming from a President whose failed fiscal policies resulted in a growth in real GDP of only 1.4 percent in 1995. Contrary to what the administration would have us believe, this is the weakest economic recovery in 28 years. In fact, job growth following the most recent recession is half of what is typical in a normal recovery.

The present recovery has yielded total growth of only 12.2 percent, while identical periods of recovery following the recessions of 1982 and 1975 were 22.6 percent, and 32 percent respectively.

Balancing the budget—while not a silver bullet—would have a tremendous positive ripple effect across the economy: It has been estimated that balancing the budget would not only lead to growth in real GDP of 0.5 percent or more, but would also yield a drop in long-term interest rates of between 2.5 and 4 percent over the next 7 years.

This is remarkable, because even a 2-percent decline in interest rates would create an additional 2.5 million jobs, according to the Joint Economic Committee. In human terms, that means that Americans would pay less on their home mortgages, car loans, and student loans for college. When you stop to think about it, the last time we saw interest rates that low, General Eisenhower became President Eisenhower.

And while balancing the budget would result in immediate economic benefits, even more compelling reasons can be found in what will happen to our economy in the future if we fail to balance the budget. As Herb Stein of the AEI notes, ''The problem isn't the deficit we have now, it's the deficits we will have in the next century.'' You know the numbers:

Under current economic policies, our debt—which has grown from $1 trillion in 1980 to more than $4.9 trillion today—will reach $6.4 trillion by the year 2002. And according to estimates from the President's own Office of Management and Budget, the deficit will double in 15 years, then double again every 5 years thereafter. And by the year 2025, OMB estimates that the deficit in that year alone will be $2 trillion. OMB also forecasts that if we continue our current spending spree, future generations will suffer an 82-percent tax rate and a 50-percent reduction in benefits in order to pay the bills we are leaving them today.

As my colleague, the distinguished Senator from New Mexico [Mr. DOMENICI] has emphasized in the past, our national debt represents the most unfair tax ever imposed.

The balanced budget amendment demands that we evaluate every one of our programs. It compels us to ask these important questions about every government program:

Does it fit within our priorities? Can we afford it? Will it help the American people?

And, the balanced budget amendment will force those of us in Congress to ask ourselves the fundamental question: Can we do our job better?

Mr. President, the answer is yes—we can do our job better. And we must do it better. We have skirted the issue of the balanced budget for years now. We cannot continue to pass this onerous debt on to our children and grandchildren. We can no longer squander their future.

I believe that we must also lead by living by the standards that every American must uphold in their daily lives. The American people have learned to live within their means. They balance their checkbooks each month, and adjust their spending as their income changes. We must do the same.

Passage of the balanced budget amendment will restore accountability to the Federal budget process, and force our government to live within its means as well.

How much proof of the devastating impact of this deficit do we need? How much debt is finally enough? And how much longer do we have to wait for Congress to have the will and the courage to act?

Now is the time to pass the amendment, Mr. President. Recent events have proven that even with the passage of a balanced budget plan by a majority of Congress, months of negotiations between the President and Congress, and countless calls for compromise by the general public, the adoption of a balanced budget can still be thwarted by a force the average American has grown tired of: the force of politics. The passage of a constitutional amendment will change all that. We cannot afford to squander this opportunity yet again.

Thank you very much, Mr. President. I yield the floor.

Mr. LIEBERMAN. Mr. President, I intend to vote against House Joint Resolution 1, a joint resolution proposing a balanced budget amendment to the Constitution of the United States. At the same time, I want to make it clear that not only do I support balancing the budget, I have devoted a good deal of my time in the Senate toward achieving that goal.

Most recently, I worked with a bipartisan group of Senators to develop a bipartisan balanced budget package. We spent over 6 months putting together a package which set reasonable discretionary spending limits, began the process of entitlement reform, and contained a reasonable set of tax initiatives. I was, and continue to be, proud of these efforts. And while we did not win the vote on this package, I am delighted to note that we came pretty close in a 46 to 53 vote, with 24 Democrats and 22 Republicans voting for what has come to be known as the Centrist Coalition plan.

I found this vote heartening and I think it speaks well for the future of balancing the budget. Because if there is one thing we are all coming to realize, it is that one political party is not going to be able to do it alone.

Rather than heading down the path of amending our Constitution to say we want to balance the budget someday, I hope that Members of this body will consider redoubling our bipartisan efforts to actually balance the budget. It seems to me that we are very close to agreeing on a 7-year balanced budget plan, this year, in this Congress. We ought not to distract from that goal which is tantalizingly within our reach. I hope my colleagues will agree with me and join in a here and now attempt to balance the budget by supporting the budget which has been put forward by the Centrist Coalition.

Mr. BIDEN. Mr. President, more than a decade ago, when budget deficits were first becoming a way of life around here, I proposed a constitutional amendment to require a balanced budget. Since then I have voted for several other versions of a balanced budget amendment, including the one before us today.

This is not a commitment I have undertaken lightly. This is the ultimate step we can take to safeguard future generations from irresponsible budget policies. On those grounds, I believe that making deficit finance a more difficult decision is an appropriate issue for consideration as part of our country's fundamental law.

But the practical reasons for this amendment are also compelling. The threat to the future of our country, and the damage that accumulating deficits are doing right now, are sufficiently serious to warrant this ultimate step.

The effects of mounting debt and deficits on the future of our country will be profound. Right now, the Federal debt held by the public—the accumulation of our annual deficits—totals more than $3.6 trillion. This year the interest we will pay on our accumulated borrowing will be $240 billion.

By the year 2002, the target year for balancing the budget under the amendment before us, interest alone will total $311 billion, and will cost us more than we will spend on the total defense budget, more than we will spend on every domestic function of government, from fighting crime to building roads.

Accumulating debt at this pace is simply unsustainable—it will radically reduce the choices that future Congresses, representing future generations of Americans, can make. By continuing to accumulate debt, we are forging chains that will bind those who follow us. We are buying a little extra time to avoid those hard choices by dumping them into the future.

At the same time, because concern for the deficit is driving so much of our thinking right now, we are short-changing the kinds of programs that may provide long-term payoffs, that could make us all better off in the future, but that are increasingly squeezed out of the budget.

Just look what is happening to our investments in education, in research, in cleaner air and water, in safer working conditions. These represent our legacy to the future; they will determine—for better or for worse—the kind of country we pass along to our children and grandchildren.

But in the current budget climate, we are slighting these priorities in the race to find short-term savings.

Mr. President, I have watched for years as accumulating deficits have changed the face of our budget process. I have watched the policies that provide essential support for those who need it the most. They include my parents' generation, who won a war for us, and built the greatest economy in the

world. We have made moral commitments to them, commitments I came to Washington to keep.

And our children—the future of our country—will be shortchanged by budget policies that cut investments in education, research, health care.

Mr. President, there is much merit in the argument that we should return more authority and responsibility to State and local governments, that we should return the power to make decisions and the resources to carry them out to the neighborhoods and communities that know their problems best.

But we cannot lose sight of the reasons that led our Founding Fathers to establish a national government—the kinds of issues that cut across city and county lines, that cut across State and regional boundaries, issues that affect us all as Americans.

Unfortunately, it is also those priorities that are now under attack in our deficit-driven budget process.

I am talking about the air and water pollution that drifts and flows over State lines. I am talking about the safety of food and drugs sold by national and multinational corporations. I am talking about the safety and reliability of our rail and airline systems.

All of these essential functions of our national Government have been under severe spending restrictions—virtually a spending freeze—since 1990. Under the current budgets of both the administration and the Republican majority in Congress, these priorities will continue under tight restraints.

Now, Mr. President, over a decade ago I proposed, along with Senators KASSEBAUM and GRASSLEY, a freeze on all spending programs, to provide some breathing space for us reconsider the course we were on.

Well, of course we did not impose that freeze, and for almost a decade we did not undertake a fundamental change in our budgets—and the results are all too clear.

But 3 years ago, Mr. President, we took the first steps toward restoring some balance to our national finances. We passed a $500 billion deficit reduction package that has produced 4 straight years of deficit reduction for the first time since the end of World War II.

Unlike so many of the promises made here in Washington, Mr. President, the benefits of that plan were even greater than advertised. Because of the lower interest rates that serious deficit reduction permitted, the economy has grown fast enough to reduce the deficit to the tune of $846 billion less than it would have been.

That's right, Mr. President, our national debt would be $846 billion higher if we had listened to those voices who tried to scare us out of taking the first real steps to bring the deficit under control.

That experience might have been encouraging—we could accomplish real, significant deficit reduction and be rewarded with lower interest rates and stronger economic growth. But instead, the political response to that success has been a ceaseless stream of recriminations for those of us who voted for that historic budget plan.

So in many ways we are worse off than before, Mr. President. The lesson many will take away from recent budget debates is that the tough choices to reduce the deficit will get you little credit and a lot of blame.

And as is increasingly the case, we see that the goal of a balanced budget—years out there, over the horizon—seems dim and vague compared to promises to throw tens of billions of dollars on exotic weapons systems, or on continued corporate welfare, or tax breaks for a wealthy few.

That is why I am still convinced that we must take the final step to close the door on the era of uncontrolled deficit spending. We must send the balanced budget amendment to the States—to the people of the United States—for their approval.

Without this additional constraint on our budget process, I am afraid that we will find the old ways of doing business too easy, too attractive, to give up.

It is my belief that only when we have asserted control over our budget once again will we be able to conduct a meaningful debate on our real national priorities. Until then, the short-term, bottom line calculations will continue to drive the budget process.

Mr. President, that if we had taken control over the budget before, if we had found the discipline to make the tough choices, we would not have seen the erosion in support for those priorities that led me into public life. I want to restore balance to our Nation's finances, Mr. President, but just as importantly, I want to restore some balance to our priorities.

Mrs. MURRAY. Mr. President, earlier today, I voted against House Joint Resolution 1, the so-called balanced budget amendment. Like last year, this amendment was defeated. And, once again, I want to take a minute to tell my colleagues why I voted the way I did.

Mr. President, this amendment is nothing more than a feel-good political gimmick. The balanced budget amendment makes for a good political sound bite. But, when looked at closely, one can see this amendment would have serious economic ramifications, tie the hands of our children and trivialize our Nation's constitution.

I am disappointed—but not completely surprised—the Senate decided to vote on this amendment during the height of the Presidential campaign season. We should not use the Nation's fiscal policies to create divides between our two parties. Rather, we should be working together to come to agreement on a common-sense balanced-budget plan that reflects American values—the belief we should care for our elderly, educate our children and preserve our quality of life.

We have made great progress this past year. The difference between our two parties has narrowed greatly. Everyone agrees we need to balance this Nation's budget, and we are closer than ever to reaching a budget compromise.

In fact, just 2 weeks ago, the so-called centrist balanced budget plan came within five votes of passing on this floor. And while I did not like every part of it, I supported it because it was the most credible attempt yet to actually reach a final compromise and get the job done.

Mr. President, we simply need to stay focused. We must remember a balanced budget constitutional amendment will not get the job done for us—political courage and tough decisions are the only things that will balance the budget.

Let's not forget the progress we have made these past 3 years. Since 1993, we have cut the deficit in half, and the Congressional Budget Office estimates this year's deficit will be as low as $130 billion. That's nothing to cheer about, but it's progress. And it's proof the President's 1993 deficit reduction plan has worked. And I am proud to say I voted for that plan.

So, Mr. President, we know we can balance the budget without tying our children's hands in the future. This amendment will make it impossible for future generations to determine our country's spending and revenue priorities. We will do that for them. They will be forced to live within tight spending constraints and they will be paying much higher taxes than we pay today.

And proponents of this amendment fail to explain that it will make it much more difficult for our country to deal with recessions. Like any good business, the government must invest today in order to succeed tomorrow. During recessions, the Government's revenue stream decreases and its need to provide unemployment insurance increases. In order to curtail a recession and energize the economy, the Government must invest in capital and its people. Quite simply, the balanced budget amendment will stifle the Nation's ability to correct economic downturns.

And let's not forget the Government oftentimes is needed to help States and local communities deal with the damage that results from natural disasters. Just last winter, my home State suffered severe flooding. The floods caused millions of dollars worth of damage and upset the local economy. The Federal Government helped Washington State residents cope with this disaster by pitching in $74.5 million. This is an important role the Federal Government must play. But, the balanced budget amendment would make this type of assistance impossible in the future.

Mr. President, balancing the budget requires tough choices. We have learned it takes dramatic spending cuts or tax increases or a combination of both. It cannot be done by cutting taxes. Last year, my Republican colleagues proposed $250 billion worth of

tax cuts. I ask my colleagues, how would that huge tax cut proposal mesh with the constraints of the balanced budget constitutional amendment? Where would the offsets come from? Does this mean we would balance the budget by cutting important programs to pay for politically popular tax cuts?

Mr. President, these questions are important. We have already seen how the Republican majority would balance the budget. They would cut education and job training programs, strip environmental protections, and reduce payments to Medicare beneficiaries. We need to understand the consequences of passing this amendment, and we need to ask whether or not this Nation's most needy will be taken care of appropriately if it is passed.

Just as we must watch out for our most needy—those who cannot afford to buy a high-priced lobbyist to speak on their behalf—we need to consider how this amendment will impact small States. When determining how to make the cuts needed to balance the budget, the States with the most representatives will have the most influence over the decisions being made. I fear small States, like Washington State, will take a disproportionate hit when Congress determines how to make the cuts needed to balance the budget.

And, Mr. President, our wise Founding Fathers wanted Congress to control the Nation's purse strings because the legislative branch is the closest branch to the people—we understand the needs and priorities of our constituents. The balanced budget amendment could shift fiscal responsibility to the courts. If the President and the Congress disagree on spending and revenue priorities, the courts could be required to step in and decide the appropriate fiscal plan.

Mr. President, Supreme Court Justices are not responsible to the people of my home State. They are not elected, and they are not sent to the Nation's Capital to tend to the needs of my constituents.

We have amended the Constitution only 17 times since we adopted the Bill of Rights. We have never changed the Constitution lightly. Every previous amendment has expanded personal rights and outlined responsibilities. We have never amended the Constitution to insert an economic belief. And, fortunately, we did not do so today.

Mr. President, I voted against this amendment because I value the Constitution. I chose not to trivialize the importance of the U.S. Constitution by making it a forum for our annual fiscal decisions and the politics that accompany those decisions.

I have no doubt the Senate will debate this amendment again next year. I look forward to that debate, but I remind my colleagues that between now and then we can make that debate irrelevant. We can work together to find compromise, and we can work together to put together a sensible balanced budget agreement. And, I say, that would be the best thing for our children—that would be the real accomplishment that will truly benefit our children.

Mr. DODD. Mr. President, I rise today in strong opposition to this constitutional amendment to balance the budget.

Let me first say, I am well aware that the notion of balancing the budget and forcing this Government to live within its means is a popular idea both in Congress and across the Nation. If working families have to do it, why can't the Government?

I agree. That's one of the main reasons that I was 1 of 11 Members of the U.S. Senate to vote against the Reagan tax plan of 1981. In case we've all forgotten, it was that plan, which cut taxes for the wealthy, increased spending and exploded the deficit to the heights it reaches today.

It is why I sponsored the first pay-as-you-go plan in 1982. According to the CBO, the enactment of that proposal would have brought a budget surplus by 1985, making this entire debate today irrelevant.

Additionally, it is why I was the second Member from this side of the aisle to support the Gramm–Rudman-Hollings Act.

And it is why I supported President Clinton's 1993 deficit reduction plan. Because of that plan the latest deficit projections are down to $130 billion, from more than $300 billion when the President took office.

It is also why I have long been an advocate for real deficit reduction and not the various accounting gimmicks that so often tarnish our budget cutting efforts here in Congress. But, at the same time, I have also fought for deficit reduction that protects our national priorities while forcing Congress to accept fiscal responsibility.

But, the measure before us today would meet none of those essential criteria. Instead it would only increase the use of budgetary gimmickry by allowing the Congress to avoid making the critical decisions necessary for balancing the budget.

What's more, it would not make it any easier for this or any Congress to accept our fiscal responsibility. Instead it would include in the organic law of our land a constitutional amendment that would remove from the legislature the historic and mandated role of making budgetary decisions.

Contrary to the arguments of its supporters, this amendment is not a lightning bolt that would suddenly give the Congress the courage it has so often lacked when it comes to cutting the deficit.

Instead it would constitutionally mandate possibly massive spending cuts in education, the environment, Medicare and Medicaid and other priorities that make a real difference in the lives of the American people. And in the end we would have a foolproof excuse for those draconian cuts: ''The Constitution made me do it.''

And if Congress could not effectively reach compromise a constitutional amendment could place the budgetary decisionmaking process squarely in the lap of the Supreme Court.

The Supreme Court is an unelected body whose job is to interpret our Nation's laws, not enforce them. But, if this amendment passes, the Supreme Court could be deciding whether the requirement of a balanced budget has been achieved.

If the conditions of this amendment were not met then our Federal judiciary could be making the decisions on budgetary allocations.

For the Congress to go along with such a proposal represents an absolute abdication of our responsibilities and obligations as legislators and elected representatives of the American people.

That's no way to balance the budget and it's no way to run the Federal Government.

But, while there are many reasons why I believe this amendment is truly bad public policy and bad for the American people, I also believe that it is wholly unnecessary.

Because, over the past year and a half, Democrats and Republicans reached compromise on the means for balancing the Federal budget.

Let me repeat that, because I think sometimes it is conveniently ignored by my Republican colleagues: Both President Clinton and the leadership here in Congress are in agreement on balancing the Federal budget in 7 years.

Both sides have proposed the necessary spending cuts to put our fiscal house in order. And both sides agree that this budget balancing can be done by the year 2002.

While I certainly think that the President's plan does a better job of protecting our national priorities, the facts remain evident for all those in this body who wish to open their eyes and see: We can work together to balance the budget. We don't need a constitutional amendment. We have the outlines for an agreement right here.

If my Republican colleagues would simply walk down Pennsylvania Avenue, meet with the President and in good faith negotiate a compromise solution there would be absolutely no need for a constitutional amendment to balance the budget.

But my colleagues across the aisle seem to prefer making campaign speeches on the Senate floor and embarking upon the momentous act of amending the Constitution of the United States rather than sitting down with the President and working out a deal.

They seem more inclined to avoid compromise and instead use the President's principled stand against this amendment as a means to score political points.

But, amending the Constitution should not, and must not, be a political tool. It is one of the most sacred and essential duties of our elected office.

There is a very good reason why, in the more than 200 years since this Nation adopted the Constitution, we have seen fit to amend it only 27 times. Twenty-seven times in more than 200 years.

In fact, in those 200 or so years, we've seen approximately 11,000 proposed amendments to the Constitution. Only 33 passed the Congress. And the Bill of Rights notwithstanding, only 17 are now part of the Constitution.

What's more, amending the Constitution remains an incredibly difficult task. Two-thirds of the Congress, and three-fourths of the State legislatures must agree before we change the law of the land. Our Founding Fathers made clear that amending the Constitution would not be an easy or brazen decision.

Changing the Constitution is not like adopting a simple statute that can be modified or repealed somewhere down the road. Indeed, the language we insert into the Constitution will very likely stay there long after all of us have left this Earth. Generation after generation will live with the consequences of our constitutional decisions.

As Henry Clay said 145 years ago, ''The Constitution of the United States was made not merely for the generation that then existed, but for posterity—unlimited, undefined, endless, perpetual posterity.''

But frankly, over the last year and a half, the sacrosanct nature of our Constitution and the amendment process has been largely ignored by the majority.

I fear that the sacred, fundamental nature of our Constitution has been lost on some of our Republican colleagues. The Congressional leadership is advocating one of the most sweeping rewrites of the U.S. Constitution since the enactment of the Bill of Rights.

The Constitution is not simply a set of fraternity bylaws to be amended with each new pledge class. It should reflect not the popular winds of the time, but the sacred principles of our republic.

Nonetheless, in the 104th Congress alone, several amendments to the Constitution, all of which would have an incalculable impact on the social, political and economic life of our nation have been proposed.

First, we have the balanced budget amendment, which we are discussing today. But, there are also proposed amendments requiring a super majority for raising taxes, limiting the terms of Congressman and Senators, providing for a line-item veto, preventing unfunded mandates, allowing school prayer, making flag burning a crime, and the list goes on and on.

Other than the Bill of Rights, ratified in 1791, these constitutional changes would be utterly unprecedented in our Nation's history.

Unfortunately those changes are an integral part of the Republica agenda.

Now, I ve heard all the rhetoric from across the aisle about how essential this amendment is for protecting our children from a lifetime of crushing debt.

I've heard the rhetoric about providing opportunity for working families. I've heard the rhetoric about cutting the deficit so as to increase economic growth.

Well to all my colleagues who constantly invoke children when calling for the enactment of this amendment, I ask how do you plan pay for this balanced budget amendment?

Will Head Start, Medicare, Medicaid and our environmental safeguards escape the budgetary ax? Now my Republican colleagues want to spend an additional $60 billion to build another star wars system. How are they going to pay for that, while trying to balance the budget?

Are they going to raise taxes? Hardly. This body can't even swallow a 4.3 cents gas tax, which as part of the President's deficit reduction plan in 1993 cut the deficit in half. A plan, by the way, that failed to receive even a single Republican vote. But that's another story.

In 1995, the Federal Government spent more than $1.519 trillion, while receiving in revenues approximately $1.355 trillion. That represents a Federal deficit of just over $150 billion.

If we passed this amendment tomorrow, this body would have to cut more than $150 billion in 7 years. And if history is any indication, my Republican colleagues would do it by shredding the social safety net. They would enact draconian cuts in education, Medicare, Medicaid, and the environment to name a few. Is that how my Republican colleagues propose to protect children? By cutting money for education and health care for children.

That is the part of the balanced budget amendment that you don't hear about too often: the part where the Congress would be constitutionally mandated to unravel the fabric of America's social safety net.

I didn't run for this office to be a party to those kind of spending cuts.

When I became a U.S. Senator I took an oath of office to uphold and protect the Constitution of the United States. And that is why I'll be voting no on this balanced budget amendment and I urge my colleagues to join me.

Mr. HATCH. Mr. President, before we vote once again on the balanced budget amendment, let me pay tribute to some of my colleagues who have tirelessly and courageously fought for the passage of this crucial measure. First, let me mention the senator from Illinois, PAUL SIMON, the primary Democrat sponsor of this bipartisan amendment. His leadership on this issue will be missed in the years ahead. Senator THURMOND and Senator HEFLIN have been long-time leaders on this issue. Senator CRAIG and Senator COVERDELL have also fought long and hard for this measure. I would also especially like to thank the 11 freshman Republican Senators who joined us at the beginning of the Congress, all of whom leapt immediately into the fray in support of the amendment when it came up in the very first month of this 104th Congress.

Mr. President, there are many, many others who have worked to send the balanced budget amendment to the States. But one Senator stands above them all in his tenacity, dedication, and commitment to providing a better future for our children and grandchildren—an America like the one he grew up in, fought for, and has served all of his life. I am of course referring to our leader in this effort, Senator ROBERT DOLE. His effort on this amendment is consistent with his decades of service on behalf of Americans of this and future generations. The contrast of his record with President Clinton's is clear.

President Clinton has fought the balanced budget amendment every step of the way. Last year, President Clinton won and the American people lost. The American people will lose again if President Clinton has his way this year, and it looks like he will.

Mr. President, I would ask, why are President Clinton and his allies opposed to the balanced budget amendment? I would suggest that the opponents of the balanced budget amendment are simply not ready to impose the kind of fiscal discipline on themselves that a constitutional amendment would require. It's tough to stop spending other peoples' money.

And they do spend. When we last debated the balanced budget amendment, the Federal debt was $4.8 trillion. As of Monday of this week, it stood at more than $5.1 trillion. Mr. President, that is an increase of $320 billion. Translated into more understandable terms, that means that the cost of the delay in passing this important amendment has been more than $1,200 for every man, woman, and child in America. Put another way, over the 15 months that have elapsed since President Clinton helped defeat the balanced budget amendment, the debt has increased, on average, over $650 million a day.

The enormous size of the national debt, over $5.1 trillion, and the unacceptable rate at which it is growing threatens the economic stability of this great Nation. We all know this, Mr. President. And we know that the American people overwhelmingly want a balanced budget amendment.

Even so, there are those who oppose the balanced budget amendment and keep spending, and so they need to find a way to justify voting against it. President Clinton's chief advisor, Leon Panetta, said as much in 1994 when he explained the need to provide cover to opponents of this amendment so that President Clinton could defeat it with their votes. He conceded that ''If you allow people to say, 'Are you for or against a balanced budget,' you'll lose it.''

So, we have a parade of excuses of why we do not need the balanced budget amendment or why we need a different, meaning more lax, balanced

budget amendment. Capital budgets, automatic stabilizers—the list goes on and on. The most popular of these false protests is ''protecting social security'' from the balanced budget amendment—as if balancing the budget would harm a system that depends on the government's creditworthiness. This argument has been called by one commentator in the Washington Post ''the single most fraudulent argument'' he has heard in 17 years in Washington, and by Time magazine as ''mendacious nonsense.''

Mr. President, in less than an hour, the American people will see who is on their side and who is on President Clinton's side. I would say to my colleagues, if you really support a balanced budget and not just talk, then cast your vote for the balanced budget amendment.

The very future of our country is at stake. I say to my colleagues, if not for yourselves, then support the balanced budget amendment for your children and your grandchildren who are almost $20,000 in debt the very moment they are born. Do not condemn them to live in a nation of economic stagnation, suffocating taxes, and hopeless debt. This is what is riding on this vote. I urge my colleagues to support a balanced budget requirement today, so that we and our children will have a prosperous tomorrow.

THE RISE IN THE DEBT THIS YEAR

Mr. President, the eyes of the Nation are upon us. Today the U.S. Senate has the opportunity to keep us on a path to balancing the Federal budget. Last year this body narrowly missed another historic opportunity by failing to pass the balanced budget amendment. During that debate every Member of this body, whether they were for or against the balanced budget amendment, came to this floor to swear their support for balancing the budget. Well, the time has come to see who really meant it and who was just defending the status quo of runaway Government. I urge my colleagues to hold true to their promises, to vote for a balanced budget, and to not waste another historic opportunity.

When we last debated the balanced budget amendment, I gave a daily update on the debt increase as we debated. By the end of the debate, my debt tracker was becoming unwieldy, so I have brought down a sort of summary debt tracker to bring us up to date on the debt since we began debate on this amendment in January of last year. As my chart here shows, when we last began debate on the balanced budget amendment the Federal debt was $4.8 trillion. As of Monday of this week, it stands at more than $5.1 trillion. Mr. President, that is an increase of $320 billion. Translated into more understandable terms, that means that the cost of the delay in passing this important amendment has been more than $1,200 for every man, woman, and child in America. Put another way, over the 15 months that have elapsed since President Clinton helped defeat the balanced budget amendment, the debt has increased, on average, over $650 million a day, over $27 million an hour, over $450,000 a minute, and over $7,500 every second. This is the price of the delay caused by President Clinton and his allies.

I urge my colleagues to put an end to this wasteful, out of control spending by supporting the balanced budget.

THE DEFICIT AND INCREASED TAXES

Mr. President, out-of-control Federal spending hurts us all in many ways. Not the least of which is through increased tax burdens on all Americans.

Every year hard-working Americans pay the price for our profligacy. The Tax Foundation has calculated that in 1994, the average American worked from January 1 to May 5 just to pay his or her taxes. They did not get to keep one cent of the money they earned until May 6. Put another way, in an 8 hour work day, the average American works the first 2 hours and 45 minutes just to pay taxes. This is simply intolerable, but it is not the end of the story.

The National Taxpayer's Union, NTU, has also determined that for every year we endure another $200 billion deficit it costs the average child over $5,000 in extra taxes over his or her lifetime. How many more years will the Government levy another $5,000 fine on our young people?

The bad news about the debt does not end there, either. The Competitiveness Policy Council has shown that the rising budget deficits have led to a 15-percent decline in real wages in the last 15 years. And NTU has further calculated that in the 45 years, unless we get our spending under control, after-tax incomes will rise by a mere $125 for the entire 45-year period. Talk about a middle class squeeze. How can people be expected to bear the burden of stagnating wages and higher tax rates? We simply cannot continue blindly down this road to economic oblivion.

Mr. President, we now have the opportunity to make an historic change. We can pass a balanced budget and preserve a future for our children, our grandchildren, and this country. I urge my colleagues to support a balanced budget requirement today, so that we will have a prosperous tomorrow.

ECONOMIC BENEFITS OF THE BALANCED BUDGET AMENDMENT

Mr. President, apparently some of my colleagues have forgotten not only how dramatically the deficit is hurting our economy, but also how much a balanced budget will help our economy. I would like to touch upon some of those economic benefits which will accrue to working Americans across the country.

Last year, DRI/McGraw-Hill analyzed the economic impact of balancing the budget and has concluded that it will result in a significant improvement for the nation's citizens. Here are the results of their study:

As government spending is reduced, resources will be freed up for private investment and interest rates will drop. Both of these factors will make it easier for businesses to expand, resulting in the creation of 2.5 million new jobs by 2002.

Further, fueled by the drop in interest rates, private investment will rise and real nonresidential investment could grow by 4–5 percent by 2002.

Lastly, by the end of the 10-year forecast, real GDP was projected to be up $170 billion from what it would be without a balanced budget. That translates to approximately $1,000 per household in the United States.

So when we talk about who is really trying to help American citizens of *all* walks of life, lets remember just how important it is to balance the budget.

BENEFITS OF A CONSTITUTIONAL AMENDMENT

The sad history of legislative attempts to balance the budget show the need for a constitutional amendment requiring a balanced budget.

Despite our best statutory efforts and the most recent deficit reduction plan, a constitutional amendment is required for the following reasons:

Statutes do not purport to correct the structural bias in favor of deficit spending that would be offset by a constitutional amendment.

Statutes are only intended to deal with a temporary crisis, whereas a constitutional amendment corrects a bias that has caused deficits in 55 of the past 63 budget cycles. The deficit spending bias is not a problem that has lasted, nor will last, only 5 years. It demands a permanent constitutional solution.

Ultimately, no Congress can bind a succeeding Congress by simple statute. Any balanced budget statute can be repealed, in whole or in part, by the simple expedient of adopting a new statute. Statutory limitations remain effective only as long as no majority coalition forms to overcome such statutory constraints. The virtue of a constitutional amendment is that it can invoke a stronger rule to overcome the spending bias.

Our recent history suggest how much we need the strong rule of a constitutional amendment. Gramm-Rudman was to balance the budget by 1990. It was undone by a series of statutory amendments. Recently, we have fought tooth and nail to get on track towards a balanced budget. Without the balanced budget amendment to keep the Government in line, the budget we fought so hard for can be undone by a simple majority vote. Mr. President, the past year's budget battle is not example of what Congress can do, it is an example of how hard it is for Congress to do what it should always do.

AUTOMATIC STABILIZERS

Some have argued that the reason we should not have a balanced budget rule is to keep intact the so-called automatic stabilizers. Their contention is that these so-called stabilizers help minimize the effects of the business cycle. Thus, those who support this theory want to cycle deficits and surpluses to counteract the business cycle.

This claim confuses me for three reasons.

First, we have had numerous business cycles since 1969 but have only balanced the budget once. If this theory is right, we should have had a cycle of deficits and surpluses.

Second, far from cycling, the debt is on a steady increase. The debt is growing at a fantastic rate, and is now over $5.1 billion and is projected to exceed $6 trillion in only 4 years.

Third, the balanced budget amendment in no way prevents us from running a small surplus, which could be used to offset the effects of an economic downturn.

I just do not believe that the facts support this argument.

PROTECTING SOCIAL SECURITY

Mr. President, I have listened to the same arguments raised time and again from opponents of the balanced budget amendment that we should exempt Social Security from the balanced budget amendment. Some opponents have been searching for reasons to vote against the balanced budget amendment or reasons to justify their ''no'' votes. In their efforts, they came up with a number of accounts and interests they think we should exempt. Social Security is just the most popular of these favored exemptions from opponents of the balanced budget amendment. This objection is not merely a red-herring, but a dangerous one at that. The balanced budget amendment helps protect social security by ensuring that when the IOU's in the social security trust fund come due, the Federal Government will be able to make the payments to the retirees counting on them. The exemptions proposed would endanger Social Security, and so does failing to balance the budget.

As I argued in the first round of debate on this matter, if we exempted Social Security from the balanced budget requirement, Social Security would be the only part of the budget which could run a deficit. This would create the dangerous incentive to run deficits in the social security account to ease pressure on balancing the rest of the budget, and might even lead to the chicanery of redesignating various programs as Social Security and thereby allowing deficit financing for them. This would endanger the solvency of the Social Security trust fund, leaving it with neither funds nor trust for retirees.

Now let me be clear about what is at issue. Those who were critical of the balanced budget amendment have said that Congress will raid the trust fund to balance the budget. This is confusing, rather than enlightening. In essence these critics object that there are not separate accounts set up under the balanced budget amendment for social security and other accounts. What is at stake is merely a question of accounting.

Proponents of the balanced budget amendment say that accounting formalities are not as important as substantive economic reality. When the Government takes money from people or gives it to people, it has the same overall economic effect no matter which pocket it puts it in or takes it out of. The real numbers, the ones to be concerned about are total Federal receipts and outlays. This is the consensus of almost everyone who analyzes budget issues, including President Clinton, most of Congress, and most private financial analysts.

Let me summarize the way the Social Security system works now: Money collected for Social Security comes into the Federal treasury. The treasury issues IOU's for that amount in the form of Government securities to the Social Security trust fund account and spends the money on other programs. Then as the IOU's come due, the treasury collects the IOU's from the trust fund and pays out money taken from the Federal treasury. This is the way it works now. And nothing in the balanced budget amendment would change that. And let me just say that as of now these IOU's are the most secure in the world: they are U.S. Government-backed bonds. The primary risk to the Social Security trust fund always has been and continues to be the risk that the Government might get so far into debt that it could not pay back these IOU's. Since the balanced budget amendment would return fiscal responsibility to the Federal Government, it would help protect Social Security by helping the Government always be able to meet its obligations to retirees.

Let me repeat: The real threat to Social Security is a Government that cannot pay its bills because it keeps piling up debt, not the accounting method used to count how high the debt is growing. The trust fund is not going to be depleted because of the balanced budget amendment. Indeed only a real balanced budget amendment will protect the financial solvency of the general treasury and of Social Security.

There is, however, one other threat to Social Security: a balanced budget amendment with an open-ended exemption for Social Security. Under alternative amendments offered by the other side on this issue, the Government would have to balance all its accounts except one—Social Security. So, all the pressure of balancing would have been placed on that account. The budget would be like a pressure cooker. And if steam can only escape through one valve, all the steam and all the pressure will go through that one outlet—and in balancing the budget there will be a lot of pressure. Social Security was to be that valve, and that would have been dangerous to the viability of the trust fund. This would cause the risk of either destroying the trust fund's solvency or creating a loophole in the balanced budget rule which could allow the same risk to the solvency of the Federal Treasury, either of which would betray the trust of those counting on the trust funds.

Let me summarize: Rather than protecting Social Security, these Social Security exemption alternatives would have endangered it—to effect nothing more than an accounting preference.

It is my hope that the balanced budget amendment can be sent on to the States so the country can have a debate about the fiscal future of our Nation and our Government. The people can then decide whether they want to ensure themselves of a Government that must act responsibly—with a constitutional safeguard for their children's future.

CONSTITUTIONAL ACCOUNTABILITY

Mr. President, I am always loathe to attempt to amend the Constitution. It is an undertaking that I approach with the most serious reservations and concerns. But it has become clear that a balanced budget amendment is necessary to save this country from economic catastrophe.

The Constitution speaks in terms of broad principles and general instructions of how democracy should operate in America. Some amendments to the Constitution provide people with rights that limit Government's authority while others provide for people to take part in our great democracy. The balanced budget amendment is a little of both.

While it is true that much of the enormous growth in Federal Government spending over the past two decades may be a response to evolving notions of the role of the public sector on the part of the American citizenry—that is, a genuine shift in the will and desire of the people—it is my contention that a substantial part of this growth stems from far less benign factors.

In short, the American political process is skewed toward artificially high levels of spending, that is, levels of spending that do not result from a genuine will and desire on the part of the people. It is skewed in this direction because of the characteristics of the fiscal order that have developed in this country in recent decades. It is a fiscal order in which Members of Congress have every political incentive to spend money and almost no incentive to forego such spending. It is a fiscal order in which spending decisions have become increasingly divorced from the availability of revenues.

The reason for this skew is simple—the future generations who will have to pay the bills for our extravagance have no political voice. Those who will join the work force in 20, 30, or 40 years may not even be born yet. But here we are, spending the money that they will need to live on.

Mr. President, one of the oldest and most basic appeals to fairness in the history of this great Nation is no taxation without representation. We teach it to all our children. It is this basic fairness that the balanced budget amendment is designed to uphold. Forecasts are that at current rates of spending our children may be crushed

with tax rates of 85 percent. All to pay for what we spend now, without their consent or even their knowledge. Surely every generation of Americans has the right to manage the country how it sees fit. But this generation is stealing from the next.

In seeking to reduce the spending bias in our present system—fueled largely by the unlimited availability of deficit spending—the major purpose of the balanced budget amendment is to ensure that, under normal circumstances, votes by Congress for increased spending will be accompanied by votes either to reduce other spending programs or to increase taxes to pay for such programs. For the first time since the abandonment of our historical norm of balanced budgets, Congress will be required to cast a politically difficult vote as a precondition to a politically attractive vote to increase spending.

The balanced budget amendment seeks to restore Government accountability for spending and taxing decisions by forcing Congress to prioritize spending projects within the available resources and by requiring tax increases to be done on the record. In this way, Congress will be accountable to the people who pay for the programs and the American people—including the future generations who must pay for our debts—will be represented in a way they are not now. Congress will be forced to justify its spending and taxing decisions as the Framers intended, but as Congress no longer does.

This protection of the rights of future generations of Americans is surely the kind of great principle for which our Constitution stands, and without it, the Constitution is incomplete.

Mr. KERREY. Mr. President, I rise in opposition to the balanced budget amendment to the Constitution.

The Constitution of the United States represents the greatest democratic achievement in the history of human civilization. It—and the self-evident truths which are its basis—has guided the decisions and heroic sacrifices of Americans for two centuries. Its precepts are a shining beacon of hope for millions of people across the globe who hunger for the freedoms that democracy guarantees. It has served us and the world extremely well.

Indeed, Madam President, this great document should not be amended in a rush of passion—or in the name of political expediency. It is evident from the Constitution itself that its authors intended the process of amendment to be slow, difficult and laborious—so difficult that it has been attempted with success only 17 times since the Bill of Rights. This document is not meant to be tampered with in a trivial fashion.

This proposed 28th amendment to the Constitution is intended to affect the behavior of America's congressional representatives. In that regard it is unique. Except for the 25th amendment, which addresses the issue of transfer of power, other amendments affect the behavior of all Americans by limiting the power of government, protecting public freedoms, prohibiting the majority from infringing on the rights of the minority, or regulating the behavior of the States.

This would be the only amendment aimed at regulating the behavior of Congress—to date only 535 Americans—who, the amendment assumes, is incapable of making difficult decisions without the guidance of the Constitution's hand. That theory is grounded in the assumption that Congress and the public lack the political will be to balance the budget.

I reject the argument.

Specifically, this amendment would raise the number of votes necessary in Congress for deficit spending from a simple majority to three-fifths and sets a goal of balancing the budget by the year 2002.

The amendment empowers Congress to pass legislation detailing how to enforce that goal, but does not itself specify enforcement measures. But nobody knows the answer to the question: what will happen if Congress and the President fail to balance the budget? The only mechanism our country has for enforcing the Constitution is the courts. So the amendment's ambiguity presents the serious possibility of protracted court battles which would given an unelected judiciary unwarranted control over budget policy—a power clearly out of the realm of their expertise.

The proponents of this amendment sincerely believe our Constitution needs to be changed in order to force Members of Congress to change their behavior, which, supporters argue, they will not do because they are afraid of offending the citizens who have sent them here. However, on that basis, there is a long list of constitutional changes they should propose, including campaign finance reform.

Mr. President, I support the goal of a balanced budget and have fought, am fighting and will continue to flight to achieve it. Recently my colleagues and I—Senators SIMPSON, BROWN, NUNN, and ROBB—proposed a provision that would have reformed long-term entitlements. Mind you, we did not dabble on the fringes, but instead took on some serious budgetary dilemmas, and avoided the use of gimmickry as a solution.

For our efforts we received 36 bipartisan votes—unprecedented support for this type of long-term entitlement reform. Our proposed changes to current laws would have caused taxpayers very little concern in the short term as these changes would be phased in and have no effect on anyone over the age of 50, and would save the Nation billions of dollars in the long term.

As well, the Senate recently voted on the Centrist Budget plan, that addressed a number of budgetary problems including entitlement reform, and provided a balanced budget in 7 years. This plan garnered 46 bipartisan votes—22 Democrats and 24 Republicans—and is a fundamental indication that Congress is waking up to the need to reform our nation's budgetary ways and the need to get our economic house in order.

Four votes away from a bipartisan balanced budget in 7 years, Mr President—a budget that would have passed had this not been a Presidential election year. So why do we need to amend the Constitution?

The Constitution and its 27 amendments express broadly our values as a nation. The Constitution does not dictate specific policy, fiscal or otherwise. We attempted to use the Constitution for that purpose once, banning alcohol in the 18th amendment, and it proved to be a colossal failure. If nothing else, this experience should have taught us that the mere desirability of a goal cannot become the only standard to which we hold constitutional amendments. Constitutional amendments must meet a higher standard.

Fundamentally, we should amend the Constitution to make broad statements of national principle—and, most importantly, Mr. President, we should amend the Constitution as an act of last resort when no other means are adequate to reach our goals. We do so out of reverence for a document that we have believed for two centuries should not be changed except in the most extraordinary circumstances. We have used constitutional amendments to express our preference as a nation for the principle of free speech, the right to vote and the right of each individual to live free. The question before us today is whether the need to tie Congress' hands on fiscal issues belongs in such distinguished company.

While I oppose this amendment, I understand, I understand the arguments for it. But if the appeal of a balanced budget amendment is simply the legal or political cover it provides for those tough choices, a statutory change could provide the same cover. If the assumption behind the amendment is that the political will to balance the budget does not exist, then make no mistake, those who lack that political will find a way to circumvent this amendment.

And beyond all the legal maneuvers, there is no cover for tough decisions but the courage to make them. A vote for this amendment is not a sign of courage—it is more an indication of timidity.

The balanced budget amendment assumes there is a structural flaw in our Constitution that prevents the 535 Members of Congress from balancing the budget. But if a flaw does exist, it is in the 535 Members of Congress themselves not the document that governs us. The fact is that we could balance the budget this year if we wanted to. And we can by statute direct the Congress to balance the budget by 2002, 2003, or any other date we choose.

The inherent weakness of the balanced budget amendment is that it tells us what to do over the next 7

years but ignores the following 20, the years which ought to command our attention. A balanced budget by 2002 still ignores the most important fiscal challenge we face: the rapid growth in entitlement spending over the next 30 years.

The year on which we ought to be focused is not 2002, but 2008, when the baby boomer generation begins to reach eligibility age for retirement. This will place a severe strain on the Federal budget. Our biggest fiscal challenge is demographic, not constitutional, and the amendment before us does not and cannot address it.

Unfortunately, and conveniently, this demographic challenge is kept from our view, not by an incomplete Constitution, but by a budgeting process that discourages long-term planning. The balanced budget amendment tells us what happens over 7 years. A 7-year span is completely inadequate when the most difficult budget decisions we need to make deal with problems we will face 20, 25, and 30 years down the road, when the aging of our population propels entitlement spending out of control. The most important recommendation of the Bipartisan Commission on Entitlement and Tax Reform was that we begin to look at the impact of budgets over 30 years rather than just 5 or 7. The reason is that our country looks very different, and our current budgets look very different, when viewed over that span.

We can see the trend even in the short term. Entitlement programs—which includes Social Security, Medicare, Medicaid, and Federal retirement—consume 66 percent of the budget this year. By 2002, it will be 73 percent. By 2005, the number is 78 percent. Those numbers are straight from CBO, and if we project further, Mr. President, we see that by 2012, mandatory spending and interest on the national debt will consume every dollar we collect in taxes. By 2013, we will be forced to begin dipping into the surplus in the Social Security trust fund to cover benefit payments, a practice that will go on for no more than 16 years before the trust fund goes into the red.

These trends have nothing to do with the Constitution, political will or pork-barrel politics. They have to do with the simple fact that our elderly population is growing and living longer while our work force gets smaller. My generation did not have as many children as our parents expected, and, as a consequence, the system under which each generation of workers supports the preceding generation of retirees simply will not hold up.

Indeed, long-term entitlement reform coupled with a reasonable reduction in discretionary spending—including defense—would reduce interest rates dramatically and achieve the goal of this amendment without tampering with the Constitution.

The result is sometimes described as a question of fairness between generations. Today there are roughly five workers paying taxes to support the benefits of each retiree. When my generation retires there will be fewer than three. Unless we take action now, the choice we force upon our children will be excruciating: Continue to fund benefits at current levels by radically raising taxes on the working population or slash benefits dramatically.

Finally, I hope we keep our eyes on a larger prize than blind reverence to the idea of a balanced budget. Our goal should, in my view, be economic prosperity. I support deficit reduction as a means to that end. Deficit reduction is important not as an abstract ideal but as an economic imperative.

I believe in balancing the budget because it is the most powerful way to increase national savings. And increased national savings will lead to increased national productivity, which in turn will lead to higher standards of living for the American family. There is no short-cut to savings and no substitute that will get results. Increased national savings mean lower long-term interest rates and increased job growth in the private sector.

The balanced budget amendment assumes that a balanced budget is always the best economic policy. A balanced budget is usually the best economic strategy, Mr. President, but it is by no means always the best economic strategy. Downward turns in the economy complicate the picture. Downward turns result in lower revenues and higher spending, so there will be times—although very few of them—when a strict requirement for a balanced budget harms the economy by requiring the collection of more taxes to cover more spending in an economic environment which makes revenue collection more difficult in the first place. As I say, I believe those times are few and far between, but the Constitution is too blunt an instrument to distinguish between good times and bad. The American people hired us to do that job, not to cede it to a legal document that cannot assess the evolving needs of our economy.

As my friend and colleague the ranking member of the Finance Committee Senator MOYNIHAN has often said, ''We do not need to put algebra into the Constitution.'' Mr. President, I could not agree more.

The bottom line for me is whether this amendment moves us toward achieving the correct goals and whether, if it does, we need to amend the Constitution to get there.

I believe a balanced budget is an important goal, but only as a component of an overall economic goal with a strategy that recognizes that skyrocketing entitlement spending is the most serious fiscal challenge we face. But I also believe that once we set those goals we can achieve them by statute or, more importantly, by changing our own behavior rather than changing the Constitution. And my respect for this document precludes me from voting to tamper with it when I am not convinced that we must. This proposal for a 28th amendment does not command from me the same reverence in which I hold the 1st amendment, or the 13th or the 19th. And therefore, Mr. President, while I will continue to fight for its admirable goal, I will vote ''no'' on the balanced budget amendment.

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

Mr. DASCHLE. Thank you, Mr. President.

Mr. President, I have a chart here that shows, as graphically as anything can, the number of times that our Republican colleagues have proposed in this Congress to change the U.S. Constitution. Not since the Bill of Rights have so many amendments been proposed all at once. No wonder the rumors of rumblings from gravesites from Monticello to Mount Vernon have been heard during this Congress. There are those who appear to believe that they know better than our Founding Fathers how our Constitution should be structured. They now advocate altering the U.S. Constitution not once or twice, but, as this chart shows, in 83 different ways. There were 83 amendments proposed by our Republican colleagues in this Congress to the U.S. Constitution. One has to wonder, Mr. President, whether or not there are those in this body, and in the other body, who believe they know better, and that somehow they are in a better position than our Founding Fathers to determine the advisability of changes in the Constitution to this degree.

I am not averse to constitutional amendments. I have supported some in the past. But before we do so, the first question we must ask is, is it necessary? We have had debates on the Senate floor in this Congress on whether or not to amend the Constitution to provide for protection of a flag. There are those who propose amendments that would somehow require the ability for public prayer in schools. In those cases, and in many others, I, as well as many of my colleagues, have concluded that indeed it is not in our best interest, that the Founding Fathers were correct that the first amendment rights need to be protected. We have shown the wisdom on those occasions to defeat proposals to amend the Constitution, as our forefathers would have.

We did not need a constitutional amendment 4 years ago, Mr. President, when this administration came to Washington, and the President decided—rather than talking about it, rather than constitutional amendments, rather than more proposals to modify the budget and bring this Government into balance—''I am going to do something about it.'' Indeed, he saw the need to do something about it.

Everyone recalls that, in 1992, the deficit was $290 billion. In the first year in office in 1993, this administration, working with the Democratic Congress,

Mr. President, reduced that deficit to $255 billion. In 1993, how well I remember the vote taken on this floor with virtually everybody in their chair, one-by-one, standing up, in one of the most courageous acts of deficit reduction since I have been here, and voting for a plan cut the deficit. That plan covered not just 1 year or 2 years, but 5 years of massive deficit reduction. And it passed by one vote.

As a result, the deficit in 1994 then fell to $203 billion. Last year, in 1995, we did some more, and the deficits fell, not surprisingly, as a result of that action, to $164 billion. Now, this year, we mark 4 years in a row of meaningful deficit reduction. With some courageous votes and real determination, the deficit is expected to fall to $130 billion. That is the record over the last 4 years—from $292 billion to $130 billion.

For the first time since Harry Truman sat in the White House, the deficit has declined for 4 years in a row. The deficit has been cut in less than half since President Clinton took office.

That is the difference, Mr. President, between rhetoric and results. The only way that these results can continue, the only real way in the short-term that we can build on that record is with an negotiated agreement that balanced the budget by 2002.

A constitutional amendment, under the best of circumstances, is going to take several years to ratify. Who in this body would argue today that we ought to wait that long before we continue further efforts at deficit reduction? We all know we cannot afford to wait. The President realizes that and, for that reason, has held out an open invitation for Republican leadership to join with Democratic leadership and this White House to build on the record of the last 4 years, to take that $130 billion down to zero, and to do it now. We can do it. We need to do it. But if that is going to happen, we must, in a bipartisan way, come together, resolve our differences, and put this country on the track to ultimate success. Not only are we not negotiating, Mr. President, not only may we miss that opportunity to balance the budget, but the very same threats that we faced in the early eighties are back with us again. I can hear them now. The political rhetoric is there. The same threats to the budget are as evident now as they were back then, 15 years ago.

In the 1980's, proposals for dramatic increases in star wars spending and dramatic cuts in taxes became more than just political rhetoric. They became reality. We were told we could do all of that without exploding the deficit. I remember how clearly, how persuasively the President at the time indicated that it indeed was possible. Well, now the reality is here. We are faced with the consequences. And $5 trillion in debt later, some of us have learned, as we should have known back then, that if we follow that path, it will not be $5 trillion in debt. Heavens knows, it could go $10, $15, or $20 trillion.

How ironic that similar proposals to those that created massive deficits in the 1980's are now again dominating the Republican rhetoric—the $60 billion Defend America Act, and tax cuts ranging from $600 billion to $700 billion. The supply-side experiments of 1981 that created massive deficits are once again the centerpiece of the Republican agenda. To contend with such budget-busting proposals while debating the balanced budget amendment makes one wonder if we are facing historical blindness or gross hypocrisy. So let us recognize, if their fiscally irresponsible proposals come to fruition, we will be right back here all over again with yet more need for courageous action, to take this into our hands and to resolve it once and for all. We cannot afford that kind of rhetoric. We cannot afford those starry-eyed proposals if we are serious about accomplishing what we are debating today, balancing the budget.

Mr. President, having the realization that indeed building upon our 4-year record of deficit reduction is so important, it still begs the question, is an amendment necessary? Do we see it in our long-term best interests to amend the Constitution, to recognize that somewhere on this list may be an amendment that warrants our support? My answer to that question is yes. Beyond building upon the record that we have achieved, beyond the courageous work we have already done, my view is if the amendment is written properly, I support a constitutional amendment to balance the budget. In fact, I voted for such a properly crafted amendment last year during the previous debate on the balanced budget amendment, and I hope to vote for it again today.

But we must also realize that once it is part of the Constitution, there is no going back. We are not likely to change a clause or a phrase next year or the year after. That is not going to happen. Many Senate Democrats have offered a proposal which, in our view, does it right. Our alternative recognizes very important principles of constitutional law, but also recognizes the commitments on Social Security that we have made in statute and to the American people for generations.

Doing it right in this case recognizes the importance of protecting Social Security. Our amendment, which has been introduced this year by the Senator from Oregon, Senator WYDEN, proposes a firewall between Social Security and the rest of the budget. It is identical to an amendment crafted last year by the Senator from California, Senator FEINSTEIN, and the Senator from Nevada, Senator REID. Were it to be considered today, more than enough Senators would support it in order for it to pass.

In 1990, Mr. President, we made ourselves very clear on this issue by a vote of 98 to 2. This body voted for an amendment by Senator HOLLINGS to take Social Security off budget. Why did we do that? We did it because we realized that Social Security has become a sacred trust; that that trust fund is going to be drawn down in the not too distant future, and we are going to need every dollar of it. We recognize that. So we said we are going to build a firewall. We are going to make absolutely certain that when we need that money, it is going to there. The program is financed by dedicated payroll taxes that were not to be raided to pay for general Government expenditures.

Mr. President, the pending version of the constitutional amendment breaks that promise. It breaks it. According to CBO's December baseline, the pending amendment anticipates using $603 billion in Social Security trust fund dollars over the next 7 years to reach balance. This year alone, it anticipates $71 billion borrowed from the trust fund. In the year 2002, as we proclaim a balanced budget, the fact remains that there will be $103 billion anticipated in Social Security trust fund surpluses that will be counted toward that balance, so we will actually be $103 billion in debt to future retirees.

So, Mr. President, we are violating public trust, and, in my view, we are actually overturning the law laid out on a 98 to 2 vote on the amendment passed in the Senate offered by Senator HOLLINGS.

This means continued reliance on payroll taxes to fund the Government, as well. Social Security, as everyone knows, is funded by a 12.4-percent payroll tax. It only applies to the first $62,700 of income. As a result, this tax can be seen as regressive since it falls heavily on lower- and middle-income taxpayers. In fact, 58 percent of our taxpayers pay more in payroll tax than they do in income tax. We cannot allow funding of our Government by these working people, and we cannot allow the continued abuse of the Social Security payroll taxes. We should not fund the Government in large measure by a payroll tax which is regressive, the revenues from which are intended to be set aside in the Social Security trust funds for the needs of all beneficiaries.

Mr. President, we have a choice this morning. We have a real choice. We have the opportunity to build on the record of the last 4 years, to resolve to deal directly with our differences on budget priorities, and to build a balanced budget agreement in a way that will achieve a balanced budget by 2002. We can do that.

We also have an opportunity to build the next step, to pass an amendment that allows us to do it right, to pass an amendment that maintains a firewall between Social Security and the rest of the budget. The Constitution must recognize the critical, absolute dependence that we will have on Social Security trust funds in the future, and must recognize the meaning of a real balanced budget without the use of Social Security trust funds. It must recognize, too, our appreciation of the trust

of the American people. That is our choice. We can do it right or, once again, we can violate that trust. We can do it in a way that I believe undermines the credibility of this Constitution and what it was meant to do when our Founding Fathers wrote it 200 years ago.

We are not going to pass 83 constitutional amendments. We should not pass even one if it is not written correctly. We have the opportunity this morning, Mr. President, to approve an amendment that is properly crafted. The Senator from Oregon will seek unanimous consent that the Senate today vote upon his thoughtful alternative that accomplishes all of the goals of the amendment before us, without enshrining abuse of the Social Security trust funds in the Constitution.

I now yield to the distinguished Senator from Oregon, Senator WYDEN.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank the minority leader for yielding me this time.

I take this time to say that I think this is an historic opportunity for the Senate to get this job done right, to get this job done on a bipartisan basis. I do not think anyone doubts how this vote on the majority leader's proposal is going to turn out, today.

I believe we could have an alternative ending, however, that would benefit the American people, that would ensure that we get real fiscal discipline, and at the same time provide long-term security for generations of Americans to come. That is why I am hopeful that today we will have an opportunity to vote on a measure that is identical to that offered by the majority leader save for one difference. The alternative constitutional amendment to balance the budget would simply bar the use of the Social Security surplus or Social Security taxes for balancing the Federal budget.

Mr. President, and colleagues, it is clear that both political parties—let me emphasize—both political parties have in the past used that Social Security surplus to mask the overall Federal deficit. I think that has to end. I think that the amendment, the alternative described today, would give us an opportunity on a bipartisan basis to tackle this issue responsibly and end it once and for all. It is time to close this road show and give the people what they want. Our proposal would provide that opportunity.

Some of my colleagues apparently believe that you cannot balance the Federal budget without cooking the books. They have been trying to highlight various kinds of defects that they allege exist in our measure. I do not think the American people benefit from all of this. I do not think that the country benefits from this. The country benefits from an approach that forces both political parties to keep straight books, to get rid of the accounting fiction, and to make the tough calls with respect to both the Federal budget and the Social Security program.

Therefore, Mr. President, I rise now to ask unanimous consent that immediately following the vote on House Joint Resolution 1, the Senate proceed to the consideration of Senate Joint Resolution 54, a balanced budget constitutional amendment that protects Social Security, and that the joint resolution be read a third time, and at the end of that the Senate proceed without any intervening action or debate on passage of that joint resolution.

The PRESIDING OFFICER. Is there objection?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I object—at least I reserve the right to object. I will make a comment to my friend and colleague from Oregon. Let me ask a question.

The essence of the unanimous-consent request is that he wants to have placed before the Senate by unanimous consent a constitutional amendment to balance the budget with an exception saying we are not going to count Social Security—Social Security taxes do not count, Social Security spending does not count, Social Security balances do not count—and the Senator wants to have that placed before the Senate without amendment, without discussion, and for a vote. Is that correct?

Mr. WYDEN. If the Senator will yield, the Senate prior to my coming here has debated and voted on this proposition, last year. In fact, in 1995, there were more than 80 votes on a motion asking the Budget Committee to refashion the leader's amendment to include Social Security protection. This is not a new issue to the U.S. Senate. More than 80 Members of the Senate, on a bipartisan basis, have voted for the alternative that I would like to offer in the form of a constitutional amendment, today.

Mr. NICKLES. Mr. President, I am not sure I got an answer, but I think I was correct in stating that the Senator's request—he would like to offer that.

I object. I object on the grounds—because Social Security taxes are taxes. Social Security outlays are spending. Constitutionality, in my opinion, should not be confused by what I would say is maybe an attempt to obstruct or maybe give political coverage for people who are not supporting a real constitutional amendment which says all revenues and all expenditures, and you cannot spend more than is received.

I object. I respectfully object.

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

Mr. WYDEN. Mr. President, I will only say that the Senate on a bipartisan basis is formally on record with more than 80 Senators in support of this proposition. We have a choice, as the minority leader has said. We can let this go down once more or we can have a vote on a proposal that I offer to my colleagues that will impose real fiscal discipline and at the same time assure that Social Security is protected for both workers and retirees in the days ahead.

Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I ask for 30 seconds from the leader's time.

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

Mr. HATCH. Mr. President, we have never had a balanced budget amendment up where 80 percent of the Senators voted for this type of amendment. At the last minute to have an amendment like that literally creates a complete dislocation in the whole budget process. It would be highly unusual and we believe improper.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I ask unanimous consent that I might use not to exceed 2 minutes of the time allocated to Senator DOLE and that I might include in the RECORD certain documentation.

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

Mr. WARNER. Mr. President, I have participated before in these amendments, and have supported them throughout my career in the Senate. A balanced budget is essential for the United States. And each time I go back and bring to the attention of the Senate a resolution—this one is Senate Resolution 38—by my distinguished former colleague and senior Senator from Virginia, Harry F. Byrd. Each year he would bring before this body, and we would pass, a resolution which said, in effect, Congress shall assure that the total outlays of the Government during any fiscal year do not exceed total receipts for the Government during such fiscal year.

That is the essence of a balanced budget. Each year we passed this resolution. Each year it became law. And my distinguished colleague from South Carolina is nodding assent to that fact.

And what happened? What Congress does one day it can undo the next, and this resolution became worthless each year.

Mr. President, that is why we have to go to the Constitution of the United States to bring about the discipline required to compel the Congress of the United States to have a balanced budget. The laws that we pass—and we did I think eight times pass Senator Byrd's resolution—are undone the next day.

So we have no other recourse than to turn to the constitutional amendment and send it to the several States and allow the people all across this Nation to support the concept of amending the Constitution of the United States to bring about fiscal discipline which this body requires.

Mr. President today we are on the floor of the U.S. Senate with an opportunity to perform an historical act before the 104th Congress concludes later this year. Today, we are on the verge of ensuring that our Nation will have a balanced budget, free of any sleight of hand, as our majority leader prepares to depart. The Republicans have been working toward this end for years, and we must continue to stay firm on our mission.

As we have seen over the past 6 months, America's financial markets are showing their support for the Republican effort toward a balanced budget. If we are successful on this vote today, there will be another strong reaction on Wall Street. Wall Street reflects the views of millions of investors in America's future.

It is not only the investors in America's future that are behind us, but also Americans—in every walk of life—throughout this Nation. My phone lines have been busy, and in my State of Virginia, the calls have been overwhelmingly in support of our staying the course and finally balancing our Federal budget. The balanced budget constitutional amendment is supported by 83 percent of Americans, according to a poll published in a recent edition of USA Today. This proposed constitutional amendment, which passed the House by a 300–132 vote in January 1995, will enable all Americans, through their State legislature, to participate in the most important long-term decision facing us today.

Anything less than 67 votes would be failure, and an abdication of our responsibilities to those voters who gave this Congress a mandate to clean up our fiscal house. This is not a political issue, although there are those who would make it so. This is for our children, grandchildren and their heirs.

When the Senate voted March, 1995, and fell only one vote short, the majority leader said, at that time, that we would have another chance to give the American people what they want. Now is the opportunity for which we have been waiting. This Congress has a remarkable opportunity. We can take action that will benefit generations to come with the balanced budget amendment. It is our mission today, and it will become our legacy tomorrow.

When the final balanced budget constitutional amendment is passed, both Republicans and Democrats will have participated in the reaffirmation of the future of America. I am confident that today will prove to be that reaffirmation and I wholeheartedly support this resolution.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 38 be printed in the RECORD.

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

S.J. RES. 38

(96th Congress)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

''ARTICLE —

''SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

''SEC. 2. During the fiscal year beginning after the ratification of this article, the total outlays of the Government, not including any outlays for the redemption of bonds, notes, or other obligations of the United States, shall not exceed total receipts, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States

''SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts.

''SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.''

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

The PRESIDING OFFICER. The majority leader.

Mr. HATCH. I withdraw it.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. March 2, 1995 was the last time we were all here talking about the balanced budget amendment. It was a very historic vote. We fell one vote short. And so we might reconsider that vote I changed my vote to ''no'' and entered a motion to reconsider.

That is what we are now doing. And I might confess that I thought—when I first thought about bringing this vote up, I thought I had to be here to do that; that when I left, it could not be brought up again. But the Parliamentarian properly advised me that once the motion is entered anybody can call it up. So I can say to my colleagues when I made my resignation statement, I was under some little misapprehension about whether or not we could do this.

But in any event, the point is I think it is the appropriate thing to do. There are fundamental differences. I know some are all over the lot on why they cannot vote for this. And some just do not believe it is the right thing to do. I understand that, and I do not question anybody's motives.

We have all talked about a balanced budget, and everybody has one in their hip pocket. But we have not passed any. We have passed ours and I believe we voted on the Democrats. The President vetoed a balanced budget—another reason we need an amendment.

We are working on a balanced budget through the legislative process now. In fact, I hope we can come to some conclusion on that and get it done before the week is out.

There is a lot of talk in politics about children. There should be. They are the future. And what we do here will have a direct impact on children, on their hopes and their aspirations. I think today's vote certainly, talking about children, talking about their future, talking about the opportunities they may have, ties it all together. Just mentioning children does not do much for children. Passing a balanced budget amendment would. We would have a balanced budget. We would see interest rates drop. We would see Government responding not to every special interest group but to the balanced budget amendment where we would have to say, no, we cannot do it. And we would reorder some priorities around here. For all those who make speeches about the children and their future and crime and drugs and all the problems and all the temptations they have, here is an opportunity to stand up for children.

I have believed in this for a long time. Back in 1971 I started to talk about a balanced budget amendment. And they are very difficult to put together. You can always find some reason to oppose it—do not include this, do not include that.

So we will have this vote. We will lose, but we will have made the statement. That is the important thing. You made the statement. It will be back next year.

Mr. President, perhaps no policy is more important to the economic future of all Americans and particularly to the future of our children than a balanced budget. And that's why I believe there may be no more important issue for the U.S. Senate than whether we will finally pass the balanced budget amendment to the Constitution.

We take a lot of historical votes here in the Senate, but the vote on the balanced budget amendment is one of the most important in decades. It is a question of trust. Of whether we trust the people, of whether we trust the Constitution, of whether we trust the States. And most importantly, it is a question of whether future generations of Americans can put their trust in us.

Will we follow the experience of 49 States that are required by law to balance their budgets? Do we trust the people to be able to have the right to ratify this amendment through their State legislatures in the process spelled out by the Constitution?

We had 67 votes then to make it a part of the Constitution, as everybody knows, it has to go to the States and be ratified by three-fourths of the States. A lot of us have talked about returning more power to the States, power to the people. Dust off the 10th amendment, which is 28 words in length, which says in effect, the powers not delegated to the Federal Government by the Constitution nor denied to the States belong to the States and to the people.

So I have confidence in the people of Ohio, the legislators in Kansas, Mississippi, Virginia, Utah, South Carolina, Oregon, North Dakota, wherever. I have confidence in their judgment. So why not give them an opportunity, those who are closer to the people, to make the judgment.

Ultimately, this is a question of our values as a nation. Which do we value more: The fleeting interests of the moment, or our economic futures and destiny.

Last year the House of Representatives passed the balanced budget amendment by a vote of 300 to 132—more than the two-thirds majority required by the Constitution. We then had several long weeks of debate here in the Senate before the amendment narrowly failed on a vote of 65 to 35 on March 2, 1995.

We will shortly have our final vote on the motion to reconsider House Joint Resolution 1. The vote total may not change much today, but this vote is important to place us all on record with the American people on an issue of supreme importance to all Americans. So in a few minutes we will have one last vote—one last chance—to do what's right, and send the balanced budget amendment to the States for ratification.

When we debated the constitutional amendment last year, I quoted Thomas Jefferson, who was so concerned about the ability of Democratic Government to control spending, that in 1789 he wrote:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, morally bound to pay them ourselves.

Jefferson's fears of 200 years ago are today's tragic reality. In 1994, the Federal Government spent $203 billion in interest on the national debt—more than it spent on education, job training, public works, and child nutrition combined. In 1994, Americans paid an average of $800 per person in taxes just to service interest on the debt—not to pay off the debt or even to reduce the debt just to pay the interest on the debt.

Some say deficits don't matter. But the fact is that the Federal budget deficit is like a tax hike on working families, and one that binds future generations of Americans exactly as Jefferson had warned.

The deficit drives up interest rates—and not by a little but by a lot. It is a stealth tax that every family with a home, every father and mother with a child in college, every young person who buys a car must pay, and pay, and pay.

What does this stealth tax cost in dollars? Over $36,000 on a typical home mortgage. More than $1,400 on an ordinary student loan. Nearly $700 on a typical car loan.

I know around this place we sometimes fail to understand there are real people out there waiting for us to make responsible decisions. I had an experience the other morning with the distinguished Senator from Virginia, in Virginia, near Richmond. Because of a lack of $65 per month, this young couple and their young daughter, a baby, could not buy the house they wanted. To us, $65 a month is $65 a month. To them, it was a matter of a home. And since the President vetoed the balanced budget, interest rates have risen about one and a quarter percentage points.

So that couple and another young man—we visited his home—he did not get the home he wanted, the one for $119,000. He took the one for $109,000 because of interest rates. So we can make all these great speeches here that we want, but they are real people and they live in the District, they live in our States, where 1 percent of interest rate does make a difference.

We simply cannot continue to mortgage America's future If we continue current tax and spending policies, future generations will be saddled with effective tax rates of more than 80 percent. Failure to stem the flow of red ink from Washington amounts to taxation without representation on our children and grandchildren.

That's why the question before us today is, as Jefferson said, ''Of such consequence as to place it among the fundamental principles of government.''

I don't think the balanced budget amendment is a partisan issue. Many Democrats voted for the amendment last year and we'd certainly like to have a couple more today.

It is not a partisan issue. I have said this publicly for a long time. The leader of the balanced budget effort that I have known for a long time is the Senator from Illinois, Senator SIMON, who is leaving the Senate. You could vote either way if you are leaving and not worry about it, but he is sticking with principle.

We are not going to change any votes because this is an election year and I happen to be the Republican candidate for President. I respect those on the other side who feel they must reflect the views of the occupant of the White House, the President, on it.

We had several Senators who had voted for this before, six, in fact, who switched their votes on March 2, 1995. In fact, we were counting 70-some votes for the amendment.

Several Senators who changed their votes last year talked about a Social Security firewall. We tried to reach out to those Senators to ensure that Social Security surpluses can never again be used to mask deficit spending. I believed that, after a suitable phase-in, the Federal budget could be balanced without counting the surpluses in the Social Security trust funds.

I still hope that one or two of those six Senators who changed their votes last year can come home again and support the balanced budget amendment as they have in the past.

As I said, the question of whether we saddle posterity with our debts does not divide us along partisan lines—some Democrats have been a part of this effort from the beginning. But the balanced budget amendment is a critical test of whether we are willing to be responsible for our debts, and to be, in Jefferson's phrase, ''Morally bound to pay them ourselves.''

And here is where the President has lacked leadership—where it matters most. Unlike his predecessors, he has opposed this amendment. The White House lobbied furiously against it and rounded up enough support to defeat the amendment last year by one vote.

But we always can hope. And I am hopeful. If it does not happen today, it will happen maybe later this year. Maybe next year the White House will not lobby against it. Maybe somebody will be there to lobby for it. Maybe we can find the votes, the three or four votes that we need.

It is no small accomplishment that almost all of us in this Chamber now agree that the budget should be balanced by the year 2002. That's a big change since last March. It's not just Republicans saying it now, but all of us—from Republicans to blue dog Democrats to the President. That in itself is good news for America. Since we all agree that it should be done by the year 2002, let's pass the amendment that requires that we do it by the year 2002.

But talk is not enough. President Clinton had an opportunity to demonstrate serious commitment for a balanced budget by urging his Democratic colleagues to support this amendment. Make no mistake: President Clinton's opposition continues to be the single largest obstacle standing in the way of a balanced budget amendment to the Constitution that 83 percent of the American public want.

The Federal budget has not been balanced since 1969. Since that time, Congress has passed no less than seven different laws containing balanced budget requirements.

But despite all the votes, all the speeches, and all the good intentions over the past quarter of a century, the Federal debt has grown each and every year.

Last year we passed the first balanced Federal budget in a generation. But President Clinton vetoed it. The record of the past 25 years is frustratingly clear: We simply cannot rely on statutory changes to get the job done. We need the balanced budget amendment to the Constitution to guarantee that the job gets done.

That's why I first introduced a balanced budget amendment back in 1971. And that's why I know ultimately someday this amendment will pass. Maybe not today. Today those of us who for years have been battling for a balanced budget amendment may feel all too much like that ancient Greek philosopher rolling the heavy rock up the hill just to have it roll back down again.

It is like the line-item veto. It was never going to happen, but it did, thanks to Senator MCCAIN and COATS and others on the other side of the aisle.

But this issue is the right one for America. And one day the balanced budget amendment to the Constitution will be passed in accordance with the wishes of the overwhelming majority of Americans. As for today, at least every American will know exactly where each and every one of us stands on the issue, and every American will know exactly where President Clinton stands on the issue.

In a few moments, Mr. President, we will have one last vote on whether we can finally pass the balanced budget amendment and send it to the States for ratification. Remember, no single action here in the U.S. Senate is the end of the line.

The final decision about whether or not the balanced budget amendment will go into effect rests with those outside Washington. The Founding Fathers decided to give the ultimate authority over constitutional amendments to those who are closest to the people—the men and women who serve in State houses around the country.

Let's trust the States and put our faith in the American people. Let's go through the constitutional process that our Founding Fathers so wisely set up. There's a word for that process. And that word is democracy.

Passing the balanced budget amendment is the singlemost important thing we can do to ensure that Nation's economic security and to protect the American dream for our children and grandchildren.

In this vote we address the fundamental principles of government, and we should, each of us, consider ourselves bound by Jefferson's admonition to be mindful of posterity, and discharge our moral debt to future generations of Americans.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will now proceed to vote on the passage of House Joint Resolution 1. The question is, Shall the joint resolution, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Rhode Island [Mr. PELL] is necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote ''no.''

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

The yeas and nays resulted—yeas 64, nays 35, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—64

Abraham	Bond	Campbell
Ashcroft	Breaux	Chafee
Baucus	Brown	Coats
Bennett	Bryan	Cochran
Biden	Burns	Cohen
Coverdell	Helms	Pressler
Craig	Hutchison	Robb
D'Amato	Inhofe	Roth
DeWine	Jeffords	Santorum
Dole	Kassebaum	Shelby
Domenici	Kempthorne	Simon
Faircloth	Kohl	Simpson
Frist	Kyl	Smith
Gorton	Lott	Snowe
Graham	Lugar	Specter
Gramm	Mack	Stevens
Grams	McCain	Thomas
Grassley	McConnell	Thompson
Gregg	Moseley-Braun	Thurmond
Harkin	Murkowski	Warner
Hatch	Nickles	
Heflin	Nunn	

NAYS—35

Akaka	Feinstein	Levin
Bingaman	Ford	Lieberman
Boxer	Glenn	Mikulski
Bradley	Hatfield	Moynihan
Bumpers	Hollings	Murray
Byrd	Inouye	Pryor
Conrad	Johnston	Reid
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Dorgan	Kerry	Wellstone
Exon	Lautenberg	Wyden
Feingold	Leahy	

NOT VOTING—1

Pell

The PRESIDING OFFICER. On this vote, the yeas are 64, the nays 35.

Two-thirds of the Senators voting, a quorum being present, not having voted in the affirmative, the joint resolution fails of passage.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, we knew this was a foregone conclusion. I just have to say that today the liberal politicians have won again, and the American people have lost. We knew that was going to happen. We had no illusions about it. But it is simply amazing to me that, yesterday, some on the other side spent time attacking Senator DOLE, who sincerely has brought this amendment to the floor on a number of occasions. The only time it has ever been brought to the floor with a real chance of passing is when Republicans were in the majority of the U.S. Senate.

But what happened here is that some have tried to use this critical, historical debate, which will affect the future of our very children and grandchildren, for political ends and personal gain. I feel badly about that. Some have used the phony excuse of protecting Social Security. Those protectors have now left Social Security and all of our security open to the mercy of the big spenders.

Look at the current problems we face with Medicare. We said, a few years back, that we had to do something to fix it. Really, there has been little or no effort by this administration to do it. We told them Medicare was going broke. They laughed. Now their people have confirmed that we were right and they were wrong.

So when is the charade going to stop? When are the American people going to realize that the balanced budget amendment was defeated today because there are taxers and spenders here who do not want to be fiscally responsible? They won the day, and the American people, our children, and our grandchildren have lost.

Mr. President, I feel badly that we have lost this today. Knowing that we were going to, it has been somewhat philosophically accepted. But the fact is, it is not going to go away. We are going to have to put fiscal discipline into the Constitution if we ever want to get the spending practices under control. All Republicans but one voted for the amendment, and we had 12 Democrats vote for the amendment. I am personally grateful for those 12 Democrats who stood up and voted for this amendment. It means a lot to me personally, but I think it means more to the country. I hope that in the future we will get more on that side. This is the last chance to really keep America on sound fiscal footing.

DIFFERENCES IN JUDICIAL PHILOSOPHY

Mr. HATCH. Mr. President, I want to talk about another matter very near and dear to my heart. For some time now, I have been discussing the differences in judicial philosophy between the judges selected by Republican Presidents and the Presidents from the other side of the aisle. These differences can have real and profound consequences for the safety of Americans and their neighborhoods, homes, and workplaces. These differences, I might add, have serious consequences.

During these various speeches that I have given, I called attention to certain Clinton judges who have long track records of being soft-on-crime, liberal activists. One of these judges is Judge H. Lee Sarokin, a Clinton appointee to the U.S. Court of Appeals for the Third Circuit. Judge Sarokin has displayed an undue and excessive sympathy for criminals and is too willing to impose his own moral beliefs onto the law and onto our communities.

Judge Sarokin is the judge, this body may recall, who, before he was elevated by President Clinton to the third circuit, ruled that a homeless man could not be barred from a public library because of his body odor even though it was offending everybody in the library.

Judge Sarokin also issued several other activist decisions as a district judge, including some released convicted murderers from jail. I opposed his elevation to the third circuit because I believed he would continue his own special brand of judicial activism. My prediction has been proven true time and time again as Judge Sarokin voted to aggressively expand double jeopardy and to overturn several murderers' convictions.

This week Judge Sarokin informed President Clinton that he will retire at the end of July after 22 months as a circuit court of appeals judge. Judge Sarokin claimed that he was retiring because of the criticism that I and others have made against his activist decisions.

In his letter he wrote that he and others on the judiciary were being ''Willy Hortonized.'' He went on to write, ''I regret that there are those who are willing to sacrifice my life's work and reputation for their own political gain.'' Judge Sarokin also claimed that he ''had intended to remain on the court so long as I was fiscally and mentally able. But the constant politicization of my tenure has made that lifetime dream impossible for me.''

Give me a break. Mr. President, Judge Sarokin has illustrated once again his failure to appreciate the proper role of a judge. As a sitting judge he has issued a partisan political screed. But the partisanship of Judge Sarokin's letter is also illustrated by what the judge fails to mention. As early as March 4, 1996, this year, it was reported that Judge Sarokin wished to take senior status and that he wanted to move to California so that he could be near his family. Yet this fact is not mentioned by the judge in his letter to President Clinton. According to a March 4 article in the New Jersey Law Journal ''Sarokin confirmed through a secretary that he will take senior status effective September 1st.'' This article appeared long before my March 29 floor speech which called attention to Judge Sarokin's activism on the third circuit. In fact, in my speech, I mentioned the judge's plan to step down because it had already been announced and articulated. Essentially, Judge Sarokin had hoped that he could take senior status which would have reduced his workload to 25 percent of an active judge's caseload and move his chambers to California—In other words, from the third circuit on the east coast to California on the west coast.

In other words, Judge Sarokin wanted quasi-retirement in California, the State of his choice. Unfortunately for Judge Sarokin, his colleagues on the third circuit were not thrilled with his early retirement plans, and on the 22d unanimously voted to deny Sarokin's request to move his chambers to California.

I take that out of the Recorder of May 6, 1996.

As one unnamed colleague on the court told a reporter, ''It took a lot of chutzpah for him to leave after only 22 months on the bench.'' Boy, do I agree with that statement. Former law clerks and colleagues told the press that prior to the third circuit's decision Sarokin had already sold his home in New Jersey—in short, prior to his stirring announcement Judge Sarokin wanted to reduce his workload and was intent on moving to California. Yet, Judge Sarokin failed to make any reference to this episode or these matters in his letter to President Clinton. In fact, Judge Sarokin had the nerve to say that he ''had intended to remain on the court so long as he was physically and mentally able.'' Bear in mind his request to take senior status had been denied just 6 weeks ago. Perhaps Judge Sarokin thought he could escape scrutiny for this obvious lack of forthrightness.

Judge Sarokin's letter, its assertions as well as its omissions, demonstrates how some view Federal judges as philosopher-kings whose decisions and prevarications should never be challenged. I personally do not hold this view, and I do not think anybody in this body does.

I have no ill feelings for Judge Sarokin personally, and I wish him much happiness in his retirement. But it should be pointed out that he served darned little time on the third circuit Court of Appeals, and will receive higher retirement because he went from the district court to the Third Circuit Court of Appeals. And we went through an awful situation as he was elevated to that court. Mr. President, but I do not wish him any harm, and I wish him happiness in his retirement. But what is far more important at this point is not Judge Sarokin's retirement but who will replace him.

The American people will decide this fall who will be our President, and along with that choice comes the choice of the President's judges. The choice this fall will be between judges who will be tough on crime and judges who are softer on crime, judges who will apply the law and not legislate from the bench, or judges like Lee Sarokin who have been activists from the day they got on the bench.

Mr. President, I just want to mention one other thing. This week there was the very important argument in the Supreme Court by the President's Solicitor——

I ask that we have order. This is very important.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Utah.

Mr. HATCH. This argument before the Supreme Court was made by the President's Solicitor General, who I know was pushed into this position by others who apparently have enough power in the Solicitor General's Office beneath him to force him into this untenable situation.

No sooner—in a little over a month—after enacting the antiterrorism bill, with clearly the most part of that bill being habeas corpus reform, the Solicitor General walks into the Supreme Court and undermines that very reform, with an argument that would create a tremendous loophole, by hoping to convince the Supreme Court that they can ignore Marbury versus Madison and grant themselves jurisdiction that the Constitution does not grant and neither does the Congress. And, frankly, I could not believe it when I heard the Solicitor General make the argument that he did. I feel badly that I did not argue for our side in Court but I just did not want to have it look like I was grandstanding, or something like that.

The fact of the matter is that, if the Solicitor General's position is accepted, there will be a direct appeal to the Supreme Court mentioned nowhere in the Constitution, nowhere in statutory law because we are not allowed under Marbury versus Madison to expand the jurisdiction of the Supreme Court, or to detract from it. I will surprised if the Supreme Court grants that. But there was not an effective argument in my opinion against that position in the Supreme Court even though the law is pretty clear. The Constitution is clear. That Marbury versus Madison, the all-time most important, or at least one of the most important, Supreme Court cases is pretty clear. The result and the effect of that argument by the Solicitor General was that the Solicitor General sided with the convicted murderer in that case, who is now 13 years in prison after he was condemned to death but through multiple habeas corpus appeals to the Court, and there is basically no reason to believe that he is not the murderer, has avoided his sentence. Naturally, every one of these murderers claim—not every one, but a great many of them claim—they never did it. But the facts bespeak otherwise.

It was really something to watch the Solicitor General in there arguing on behalf of the convicted murderer who has 13 years on death row and multiple appeals. This is precisely what the President told me he wanted to end, and I did end it while still protecting their constitutional rights and giving them a direct appeal all the way up to through the State courts, a collateral habeas corpus appeal all the way up through the States courts, both of them all the way to the Supreme Court, and then a full right to take a separate Federal habeas corpus appeal all the way up to the Supreme Court, and then a protective right by a three-judge circuit court of appeals panel, if they have newly discovered evidence that could not otherwise have been recently uncovered, or there is some retroactive opinion of the court that applies. That is what bothers me.

So who picks these judges and who picks these Solicitor Generals? Who picks leadership in anticrime in this next Presidential race is extremely important. I do not think you need a better example than Lee Sarokin in this country today to show the importance of that particular choice to all Americans, nor do I think you need a better prime example than the Supreme Court argument of this administration and this Solicitor General before the Supreme Court this last week.

Mr. President, I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

UNANIMOUS CONSENT REQUESTS—H.R. 3103 AND S. 1028

Mr. LOTT. Mr. President, I seek recognition to propound a unanimous-consent request momentarily. I know the distinguished Democratic leader is

here to respond. But I would like to just make some comments about why we are doing this now and what we hope for.

First of all, this is with regard to the health insurance reform legislation that passed the Senate by a vote of 100 to 0 on May 23, 2 full weeks ago today, and yet we have not been able to appoint conferees. Now, we all know that conference activities have been underway. There has been communication from both sides of the aisle, on both sides of the Capitol, and I had the impression yesterday morning that great progress had been made, that maybe we were close to an agreement on what would be in the conference report that would come out with regard to health insurance reform.

But as a matter of fact, apparently that agreement has not been reached. I understand that perhaps the Senator from Massachusetts has had a press conference within the last couple of hours being very critical of what has transpired with regard to this issue, particularly as it applies to the medical savings accounts.

Conferences are where people give and take. Quite often you get part of what you wanted, not all of what you wanted, but I had the impression that concessions had been made or indicated from the Senate that were positive and from the House and that we were very close to an agreement, and yet it does not seem to have occurred. Yet we still have not been able to get an agreement to actually have conferees appointed.

I do not understand that. I thought that once you pass a bill, you communicate across the aisle and you appoint conferees, go to conference, and they do the job. What has been suggested by the distinguished majority leader is we have conferees appointed, appropriate ones after consultation with the Democratic leadership, from the Education and Labor Committee and from the Finance Committee, all those general matters within the jurisdiction of the Finance Committee, and also from the Judiciary Committee since in the House they were going to have Judiciary Committee conferees with regard to medical malpractice.

If we could surely agree on conferees and get the real conference underway, I think everybody would like to see this issue agreed upon and resolved here in the next few days, hopefully.

So I ask unanimous consent, Mr. President, that notwithstanding the receipt of the message from the House regarding the appointment of conferees with respect to H.R. 3103, the Senate insist on its amendment to H.R. 3103, the Senate agree to a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. Is there objection.

Mr. DASCHLE. Reserving the right to object, I share the view expressed by the distinguished majority whip. There is no reason why we cannot resolve this matter. It was passed 100 to 0 on a bipartisan basis. Unanimously, this Senate said this legislation should be passed.

Mr. President, that was over a month ago now. There is no reason why in a month's time we could not have negotiated successfully the differences with the House. That is all this has been about, finding a way with which to resolve our differences.

Now, I might tell the distinguished majority whip that it has been of increasing concern to us that as these negotiations are going on, Democrats have been excluded from the real conferencing and the negotiations as they have gone on, and we do not understand why that would have to be, why we cannot have bipartisan cooperation and consideration of the problems that we are facing in both versions of the bill.

To be locked out, in our view, is unacceptable. We also recognize—and I know that the distinguished majority whip recognizes as well—that as you negotiate a conference with representatives for that conference, there has to be some accommodation on both sides of the aisle with regard to the numerical representation as well as the committee representation. He knows very well that in this case that has not been done. So we have not been able to come to some resolution with regard to this representation in the conference and so have been relegated to these negotiations that have been ongoing.

We were told as late as yesterday that progress was being made, and it was for that reason I withheld offering a unanimous-consent agreement that I, frankly, believe we ought to put on record. There is no reason why we cannot restate the unanimity which we feel about this legislation.

So having reserved the right to object, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1028, the Kassebaum-Kennedy health care portability bill, the language of which was passed by the Senate on April 23 by a unanimous vote, that the bill be read a third time and passed, and the motion to reconsider be laid on the table.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. I object to that request.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. If I could respond before Senator DASCHLE has an opportunity to respond to my unanimous consent, I have two points.

First, I want the record to be clear that a vote actually did occur on April 23, not May 23, so it has been well over a month since that action occurred.

As to having Democrats involved in the negotiations, I believe that they have been involved in talking back and forth, but the reason why they have not been formally involved is because we have not been able to get an agreement to appoint conferees. That is the way it works. You appoint conferees and the conferees meet, Republicans, Democrats, House, Senate. That is the way to get an active, direct, normal, formal conference underway. Let us appoint conferees. Let them meet this afternoon and pass this thing out and then we can move it forward. We would love to have Senator KENNEDY, Senator PELL, Senator MOYNIHAN, Senator BIDEN, or a different mix of Democrats on behalf of the Senate in a formal conference meeting with the House, and that is why we are trying to seek this unanimous-consent request at this time.

Mr. DASCHLE. Mr. President, again——

The PRESIDING OFFICER. The Chair understands that objection was heard to the unanimous-consent request of the minority leader. Unanimous consent was not agreed to on the request of the Senator from Mississippi.

Mr. DASCHLE. Mr. President, again reserving the right to object, I yielded for purposes of response on the part of the distinguished majority whip. But let me simply say that, unfortunately, it used to be the case that Republicans and Democrats got together formally and resolved their differences in conference agreements. I would only cite as the most recent illustration of how that is no longer the case the budget agreement. To my knowledge, not one meeting was held where Democrats were included in that conference, not one. So I hope we can get back to the time when Democrats and Republicans can formally sit down and work through all of these differences. That, in part, is what this is all about. We want to get an agreement. We will continue to offer the original language to whatever legislation may be offered in our determination to get resolution of this issue. But we certainly cannot agree under these circumstances to the request propounded by the majority at this time, so I object.

The PRESIDING OFFICER. The Chair is unclear. Does the minority leader object?

Mr. DASCHLE. I indicated I did object.

Mr. LOTT. Mr. President, if I could respond to correct one thing that the Senator said. As a matter of fact, no agreement has been reached on the budget resolution conference report, and, in fact, I believe there was a meeting of the conferees at 3 o'clock on Tuesday of this week. I assume there will be other meetings of the conferees. I am not a conferee on that budget conference, but I do know that they met, I believe, for about an hour or hour and a half on Tuesday of this week. We hope they will meet again soon and get an agreement because we would like very much, as I know the Senator, the Democratic leader, would, to have that budget resolution conference report so we can get on with appropriations bills.

We hope to have it at the earliest opportunity next week, if not get an agreement today.

I yield the floor. I thank the Chair.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

DEMOCRATS CONTINUE TO BLOCK HEALTH CARE REFORM

Mr. GRAMM. Mr. President, I want to talk about this issue of naming conferees, and about the health care bill itself. I know many people think that when we have these little confrontations it is just partisanship and that it does not mean anything, but I wanted today to take a little time to talk about the real issue here and explain what it really means.

Let me begin by noting that the Senate passed a bill 44 days ago which would make health insurance permanent and portable, and which set out a procedure to try to make it easier for people to get and keep good private health insurance. It was this little bill right here.

Now, 44 days ago, the distinguished majority leader, Senator DOLE, tried to appoint conferees to work out the differences between our health care reform bill and the health care reform bill that passed the House of Representatives, so that both Houses of Congress could then bring up and pass a final bill.

For 44 days, Senator KENNEDY has objected, and for 44 days he has denied working Americans the following provisions: No 1, an 80-percent deduction for health insurance premiums that are paid by the self-employed. This is a provision which is contained in the bill that we passed thanks to an amendment that was written and offered by Senator DOLE; No 2, the deductibility of long-term health insurance premiums; No 3, the ability of people with terminal illnesses, with the certification of a physician, to go ahead and collect their life insurance—a very important provision for people who have AIDS; No 4, State-sponsored high risk insurance pools—that will help low-income people who have high medical risks get health insurance in the State they reside in; and, finally, No 5, the ability to, on a penalty-free basis, draw money out of your IRA's, your individual retirement accounts, if you have high health insurance bills. These are things that have been agreed to and these are things that, with certainty, would happen if we passed this bill. But, for 44 days, the Democrats have prevented us from going to conference and working out an agreement that would let us pass this bill.

What does 80 percent deductibility of insurance premiums for the self-employed really mean? In the last year for which figures are available, there were roughly 3 million Americans who had insurance through self-employment. They were allowed a 25 percent tax deduction on the cost of that health insurance, even though, if they worked for somebody else, it would be 100 percent deductible. So the 3 million Americans who work for themselves had to pay 75 percent of their insurance premium with after-tax dollars because the Tax Code discriminates against the self-employed. Again, in the last year for which figures are available, the average self-employed American, in buying health insurance, got a deduction of $713. If we had passed this bill 44 days ago when we had a chance to go to conference and work out our differences, the average American who works for himself would ultimately be able to deduct $2,283 for the payment of private health insurance premiums. In other words, for over a month now, we have delayed over $1,500 of savings to every self-employed worker in America.

In addition, we now have in America over $1 trillion in individual retirement accounts or other forms of tax shelter. By allowing that money to be used to pay health insurance costs, when those costs exceed 7.5 percent of your gross adjusted income, we would be liberating $1 trillion of assets that could be used to help working Americans at a time when not only has a rainy day arrived, but it is pouring cats and dogs as a result of exploding health insurance costs. Yet we have not passed any of these provisions because the Democrats have objected to naming conferees. Well, why do we have a filibuster of a bill that the Democrats, in huge numbers, support? Why is this happening? That is the point I want to address right now.

The Democrats say they are filibustering this bill because they are opposed to medical savings accounts. They are fearful that medical savings accounts will be in the final bill since the House of Representatives overwhelmingly adopted a provision that would permit Americans, who freely choose to set up medical savings accounts, to do so on a tax exempt basis—and they object to this.

It is very interesting to note that this objection is a rather new phenomenon. In fact, some of the objectors have, in the past, been some of the strongest proponents of medical savings accounts. Let me quote Senator DASCHLE, the Democratic leader, who introduced a bill—which contained medical savings accounts—with Senator NUNN, Senator BREAUX, Senator BOREN, and others. In a statement related to that bill here is what he said: ''We have introduced a bill * * * which would allow employers to provide their employees with an annual allowance in a 'medical care savings account' to pay for routine health care needs.'' That was his position 2 years ago.

Let me quote the Democratic leader in the House, DICK GEPHARDT, who also had a bill which contained medical savings accounts. He said, talking about medical savings accounts, ''It's very popular. A lot of people like that option and I think it will be in the final bill.'' That is the final health care bill. ''I think it is a great option.'' This was DICK GEPHARDT'S position on medical savings accounts just 2 years ago.

Even the Kassebaum-Kennedy bill endorses the idea of medical savings accounts. So why the change of heart? What has happened? The Democrats say they discovered that medical savings accounts only help rich people.

Well, let me read you some quotes from some of these supposedly rich people who have medical savings accounts. This is an allegedly rich person who is the political director of the United Mine Workers in Illinois. In writing to Senator SIMON he said:

> An amendment to the health care package has been offered to add a medical savings account provision. The United Mine Workers has a similar provision in our current contract that is anticipated to produce significant savings versus our previous insurance.

Let me read from another rich person who writes on behalf of medical savings accounts. This is a part-time bus driver from Danville, OH who writes:

> Today I would like to appeal to President Clinton to please support the medical savings account issue. Nearly 3 years ago we went to a medical savings account plan and it has been very helpful.

Why, all of a sudden, having introduced bills that provided for medical savings accounts—why, all of a sudden, are people like Senator DASCHLE and Minority Leader GEPHARDT and other Democrats in Congress now so adamantly opposed to medical savings accounts? Let me tell you my theory as to why, all of a sudden, Democrats who have been for medical savings accounts in the past are now so adamantly opposed to them. I think that the discovery they made is not that medical savings accounts are for rich people, but rather their discovery is that medical savings accounts give people freedom. They let people choose. They empower people. Republicans are not trying to force Americans to take medical savings accounts. We just want to allow them to do make a choice without discriminating against them in the Tax Code.

Our Democratic colleagues oppose letting Americans have that choice because they do not want Americans to choose their own health care. They want Government to choose. They claim they are for this little bill, but it is actually this big stack of bills that they support.

This is what they are for. This is what we have been debating over the last 2 years—the Clinton health care bill and all of its derivatives. Our Democratic colleagues know that to let people choose their own health care means that Government cannot choose it for them. The holding up of this bill and their new-found opposition to medical savings accounts shows one thing very clearly: the Democrats do not want families to choose, they want the Government to choose.

This little bill is not the health care bill they are for—this big stack of bills

is the health care bill they are for. They really believe that they will get this big stack of health care bills someday, but only if they do not give people the freedom to choose their own health care.

So why are we being held up? Why for 44 days have we not named conferees on a bill with provisions that virtually everyone says they are for? Remember, all 100 Members of the Senate voted for it. The reason is that the Democrats do not want people to have the freedom to choose their own health care is because their real plan is not to make insurance portable and permanent and it is not one that would empower people to be efficient in buying health care through medical savings accounts. After all, that is what this bill and the House bill are trying to do. The bill the Democrats long to get back to is a bill which is represented by all of the bills that we wisely rejected last year. They want to get back to a bill where the Government, not the family, chooses.

The truly amazing thing is that Senator KENNEDY today had a press conference attacking Senator DOLE for holding up a bill that he, Senator KENNEDY, has been filibustering for 44 days. For 44 days, Senator KENNEDY has stood up and objected to naming conferees, and then today he attacks BOB DOLE for holding up an agreement?

But why has Senator KENNEDY objected? He has objected because he rejects the right of people to choose. He rejects the right of individual citizens to decide whether they want low-deductible health insurance or high-deductible health insurance. Further, he rejects the right of those who choose high-deductible health insurance to put the savings into a medical savings account which they can use to pay those deductibles tax free or which, if they do not use it for that purpose, is available to send their children to college, to make a downpayment on a new home, or to start a new business. Senator KENNEDY and the Democrats do not want people to have that right to choose, because deep down in their hearts, they want the Government to choose.

This is the health care plan they are for—it is not the health care plan that we debated this year. The Democrats know if we get medical savings accounts, if families have an incentive to be cost conscious, if families have the right to choose their own health care, that this will work, and it would mean that they never get the opportunity to have these health care purchasing collectives where Government would make the decisions.

So I simply want to remind my colleagues, when the minority leader or Senator KENNEDY stands up and objects to naming conferees, what they are really objecting to is freedom. They are really objecting to the right of people to choose—they do not want people to have a right to choose, because they want Government to choose.

That is what this debate is about. Do you want Government to run the health care system, or do you want family choice to dominate the health care system?

To me, that is a very easy question to answer. And let me note the difference between what the Democrats are doing this year and what I did last year—just in case our colleague from Massachusetts should come over and say, ''Well, here is PHIL GRAMM, he held up the Clinton health care bill in 78 days of debate.'' Yes I did. It was God's work and I expect to be remembered for it when I get to the golden gates, but I never denied it. I never stood up and said, ''This is a great bill the President has proposed. These are wonderful ideas. I'm for it, but I'm just not going to let you pass it.''

I said over I am not going to let you pass this, except over my cold, dead political body. This is not what Senator KENNEDY is saying. Senator KENNEDY says he is for this bill, yet he is not allowing us to name conferees because he does not want people to be free to choose. He wants the Government to choose. This is what the debate is about—freedom—and I wanted to come over today to be sure that people understood with certainty what we are talking about. I want them to understand that the Republicans want families to choose, the Democrats want the Government to choose, and that this is about as big a difference as you can have in the world.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The bill 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.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak as in morning business.

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

EXTRA, EXTRA—''READ ALL ABOUT IT''

Mr. GRASSLEY. Mr. President, 2 days ago, I spoke proudly of my State's 150th birthday celebration this year and also the Smithsonian Institution's cooperation with that effort. By the way, the Smithsonian Institution happens to be 150 years old as well this year, and they are celebrating that anniversary throughout the year. But for 2 weeks, beginning on June 26, there is going to be a celebration of my State on The Mall. Specifically, though, on June 26 there will be a birthday party for Iowa from 6:30 to 8:30 p.m. in the Centennial Building on The Mall across from the Smithsonian castle.

I hope that Americans will come to see, over the course of those 2 weeks, demonstrations about Iowa industry, Iowa agriculture, Iowa education, Iowa history, culture—everything—that will be on display there.

I announced that I was going to speak a little bit and shortly every day on a certain aspect of Iowa.

I want to make reference to spreading the spirit of Iowa. As I talk about the Iowa spirit, I will talk about the role of weekly and daily newspapers throughout the history of Iowa, my State.

So it is time to say, ''Extra, extra—read all about it.''

Mr. President, Iowa celebrates its 150-year-old heritage this year. And at the end of this month and during the first week of July, Iowa will participate at the Festival of American Folklife on our National Mall to showcase our folks and way of life. Billing the celebration as ''Iowa—Community Style,'' hundreds of Iowans and Iowa natives will pitch in to spread the sesquicentennial spirit to more than a million visitors.

Of course, Iowa's story of community wouldn't be complete without sharing a vital and continuing chapter integral to community life in Iowa. Iowa's first newspaper started in Dubuque when the Dubuque Visitor issued its premiere edition on May 11, 1836. And Iowa's longest running newspaper continues to roll off the presses each day in southeast Iowa. The Burlington Hawkeye's first edition dates back prestatehood, to July 10, 1837. To this day, the local newspaper office remains an important hub of activity on Main Street in Iowa's 99 county seats and surrounding communities. More than 340 hometown weekly and daily newspapers currently report local events in Iowa.

As you may know, Iowa consistently ranks at the top in literacy and other tests of scholastic achievement. Perhaps it's no small wonder that my State also holds the highest per capita number of newspapers in the country. Just take one county in Iowa, as an example. Situated on the banks of the Missouri River in northwest Iowa, Sioux County has a population of about 30,000 people and boasts no less than seven published newspapers each week. Known to be well-read, Iowans are serious about keeping abreast of current affairs in our local, national and international communities.

In fact, an international venture between Iowa media outlets and foreign journalists started 3 years ago. The International Center for Community Journalism, based in Grinnell, IA, has helped to match journalists from the Ukraine, Russia, Georgia, Bulgaria, Mongolia, and Thailand with more than 30 newspapers in Iowa. Iowa families open up their homes for 2 or 3 months while the visiting journalist works at their local newspapers.

Many times, Iowa journalists and journalism educators will reciprocate the stay in the foreign country. This exchange of information, culture, and talent has helped to spread the Iowa spirit and a vital understanding of the importance of a free press in a democratic society. The program soon will

include journalists from Hong Kong, Thailand, Indonesia, the Philippines, Singapore, and Vietnam.

Without a doubt, Iowans have grown to depend on their hometown papers for school news, high school sports coverage, business items, local government and politics, community announcements, and human interest stories. Typical of any endeavor in my State, be it enterprise, education or entertainment, newspapers in Iowa place great emphasis on quality. Combining news reporting and advertising, the local newspaper is a constant and reliable source for the community.

The Iowa Newspaper Association each year awards top honors to newspapers in Iowa for general excellence; for delivering the best editorial, front, sports, and feature pages; for best coverage of local government, agriculture, and education; and, for overall community service.

Merchants and shopkeepers on Main Street rely on the local newspaper to advertise upcoming sales and promotions. And readers pay close attention to the ads.

For sure, Iowa's hometown newspapers wouldn't miss this once-in-one-hundred-and-fifty-years-opportunity to help spread Iowa's spirit. Visitors to the cafe on The National Mall will find a grand newspaper stand displaying many of Iowa's hometown papers. You can discover for yourself a trove of Iowa's ink in the Herald, Journal, Gazette, Review, Leader, Express, Record, Bee, Chronicle, Register, Times, and Courier, just to name a few. I would encourage those who plan to celebrate with Iowa—community style, to stop by and ''read all about it.''

THE LEGEND OF KATE SHELLEY

Mr. GRASSLEY. Mr. President, it may have started out like a normal day, but July 6, 1881, did not end in a typical manner. In the late afternoon, around suppertime, a terrifying storm struck central Iowa. It was a terror. Sensible people stayed indoors away from its wrath and fury. Creeks and streams became full to overflowing with the rainwater as the storm raged on.

Then there was a crash. It was heard by a family living close to one of the rain soaked creeks and the railroad bridge which crossed it. With that crash a young 15-year-old Iowa girl from Moingona stepped from obscurity into legend.

As H. Roger Grant wrote in ''The Palimpsest,'' ''the courage of Kate Shelley rightfully deserves to be remembered.'' For on that night she bravely faced her destiny.

Engine No. 11 was checking the Chicago & North Western Rail Road line for storm damage when it plunged into Honey Creek. The water was deep and the current was fast. The crewmen on that train needed help, and Kate Shelley knew she had to give that help. Putting all thoughts of personal safety aside, she went out into the storm. As she later said, ''The storm and all else was forgotten and I said that I must go to help the men, and to stop the passenger (train) that would soon be due at Moingona.''

Kate put together a lamp with a wick made from an old felt skirt. Again in her own words, ''(I) started out into the night and the storm, to do what I could, and what I though was my duty, knowing that Mother and the children were praying to God to keep me from every harm.'' Kate's father, who had been an employee of the Chicago & North Western, had died some 3 years before.

Upon reaching the wreckage, Kate found that of the four-man crew, only two had survived. One clung to a tree and the other to tree roots as the deadly waters of Honey Creek swirled around them. Kate saw one of the men in the flashes of lightning. He shouted at her and she at him, but the noise of the storm was go great to be hearing each other was impossible.

Let me again turn to Mr. Grant's ''Palimpsest'' article,

> Shelley (then) began the most perilous portions of her trek. Crossing the Des Moines River bridge, even in ideal conditions, was dangerous. The North Western had studded the ties along this 673-foot-long span with twisted, rusty spikes to discourage trespassers. And the ties themselves were spaced a full pace apart. 'I got down upon my hands and knees, . . . and guided myself by the stretch of rail, I began the weary passage of the bridge,' explained Shelley. 'I do not know how long I was in crossing, but it seemed an age. Halfway over, a piercing flash of lightning showed me the angry flood more closely than ever, and swept along upon it a great tree, the earth still hanging to its roots, was racing for the bridge and it seemed for the very spot I stood upon.' Added Shelley, 'Fear brought me up right on my knees, and I clasp my hands in terror, and in prayer, I hope, lest the shock should carry out the bridge. But the monster darted under the bridge with a sweeping rush and his branches scattered foam and water over me as he passed.

Kate Shelley made it across that bridge and to the station at Moingona. There she found that the North Western had already stopped the eastbound passenger train. But that was not the end of her perilous night nor of her heroism. Those two men were still clinging to life in the tumultuous waters of Honey Creek. A relief locomotive was sent with Kate as the guide. Engineer Edward Wood and brakeman Adam Agar were saved.

Kate Shelley is an American hero for the ages. She is as much of a role model for all of us today and for our children's children's children, as she was to her contemporaries.

Kate Shelley did not have to go out into that ferocious storm in the middle of the night in 1886. But she did. She knew that her actions would make a difference. Her actions would help people she did not know, but that she never the less cared for. Her actions would help to prevent destruction, injury, and death. Her selfless actions would save two lives. What an example for all Americans to follow.

Mr. Grant quotes several contemporary newspaper accounts of the night in his article. One states,

> Ed Wood says he was well nigh overjoyed when he saw the light approaching the clearing near the end of the bridge, and that he will never forget the sight of Kate Shelley making her way over the twisted and broken trestle work to the last tie yet hanging over the wreck in the boiling flood below.

Another newspaper wrote Shelley crossed the Des Moines River bridge,

> . . . with nothing but the ties and rails (with) the wind blowing a gale, and the foaming, seething waters beneath. Not one man in five hundred (would) have (gone) over at any price, or under any circumstance. But this brave, noble girl, with the nerve of a giant, gathering about her, her flowing skirts, and on hands and knees she crawled over the long weary bridge.

Yesterday I said that the Iowa spirit was almost too big to describe. It is. But I think that I can in all honesty say the spirit of Kate Shelley is the spirit of Iowa. And it is a part of the American spirit, the spirit of helping others in a time of need and danger without expecting something for yourself. I hope that all of us can learn from this brave young woman's example.

UNANIMOUS-CONSENT REQUEST—EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, for some time now, and on more than one occasion, there has been an effort to clear a number of judicial nominees that have been pending on the calendar awaiting action. As a matter of fact, there are now 17 such judicial nominations that are on the Executive Calendar. Some of them date back as far as December 1995. The latest group that was reported from the Judiciary Committee to the Senate came on May 9.

Now, on each occasion when there has been sort of an agreement worked out that one, two, three, or four judges could be cleared and moved, there have been objections to those. I know the majority leader would very much like to be able to move as many as possible of these judicial nominations. He said so publicly. He has been working on it today. I know he will continue to work to find what problems might exist and see if more could be approved. He will continue to do that. On his behalf, as the majority whip, I will do all I can do.

I feel like while it might be ideal under some conditions to some people to get them all done at once, under Senate prerogatives every Senator can raise concerns about a nominee for a variety of reasons—their qualifications for the job and other considerations. But I think if we cannot get them all done, we need to start moving down the road. You get as many as you can, and you come back and work some others.

I know there are a number of judges that Members of the minority party support and would like to get approved. Some of these that were recommended

by Democrats are also supported by Republicans. We should continue our effort to show that we can move these nominations. We are getting to that point in the year where it will get more and more difficult.

Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations en bloc on today's Executive Calendar: Calendar No. 511, Joseph Greenaway of New Jersey; Calendar No. 514, Gary Fenner of Missouri; Calendar No. 591, Walker Miller of Colorado; and Calendar No. 575, Charles Clevert, Jr., of Wisconsin.

I further ask unanimous consent that the nominations be confirmed en bloc; the motions to reconsider be laid upon the table en bloc; that any statements relating to the nominations appear at the appropriate place in the RECORD; that the President be immediately notified of the Senator's actions; and the Senate then return to legislative session.

Mr. BAUCUS. Reserving the right to object, I ask the acting leader about another nominee that was considered before the Senate Judiciary Committee, reported out favorably, I believe the date was April 25, and has been on the calendar for some time now, and who is strongly supported by the people of Montana and for whom I have heard no objection, no substantive objection whatever. His name is Don Molloy. Might I ask if Don Molloy might be added to that list and included in the acting leader's request?

I say that in part, Mr. President, because there have been no judges confirmed in this session of Congress—none. I might say that many judges were referred by a Democratic-controlled Senate in years when there were Republican Presidents. I might say, for example, in 1992, this Senate confirmed 66 district and circuit court judges. I might add, none has been brought up or passed by this body in this session of this Congress. In 1988, the Senate confirmed 42 district circuit judges for President Reagan. I could go on down the list. I will not take the Senate's time.

As the Senator from Mississippi said, there are now 17 judges on the calendar, far short of the 66 and 42 that were passed in previous years. This is already June. I do not know how many more days this Senate will be in session this year. I ask, basically, why not all the 17 that are on the calendar? There is no reason why they should not be added.

Specifically, I inquire about Don Molloy, who has been nominated by the President and has been reported out favorably by the Judiciary Committee, has been on the calendar, for, gosh, over a month, why his name cannot also be added to that list.

Mr. LOTT. If the Senator would yield under his reservation for me to respond to his questions, we have tried on other occasions, at least two that I am personally familiar with, to move a grouping of these judicial nominations. I think on one occasion it was not even this same four. There may have been a different one that was considered on this. It was objected to by Members of the minority party. So we have been trying to move some of these judges that we could get approved through the process. Some of them were objected to on the Senator's side, as you have done—or as you are apparently prepared to do today—and others have objected to other judges. We cannot get them all cleared right now. We would like to get the ones we can get cleared done, and come back again later, as we work through this list.

Now, in regard to your specific nomination, we were not able to get that cleared today. There have been some reservations or objections raised. We are continuing to explore that. I do not personally know what the reasons are, or how many objections there are. But I plead with the Senator from Montana, once again. These four have been cleared. Hopefully, we can get an agreement on more—perhaps even within the next few days. But if we do not break this down and start getting some approved, the whole thing stays dammed up.

So any one Senator might have a judge on the list of 17, and his one judge may not be qualified, or may have some sort of a judicial problem based on his experience, or there may be some personal problem. As a general rule, if any Senator says a judge or a judicial nominee is personally repugnant to that Senator, that carries great weight around here.

So is the Senator saying today that until we can get all 17, we will get none of them? Any one Senator can walk in here and say, ''I object to that group unless my judge is on there.'' I am trying, on behalf of the majority leader, to say, let us get started. These four have been cleared. Let us do these four, and maybe there will be another four. But you cannot say to the Republicans, ''Well, there have not been any done this session,'' if they are being objected to by Democrats. Let us get started. I have told the Senator that I am willing to work and see what the problems are, and maybe they are problems that can be worked out. I cannot make a commitment on how that would be done, or when it will be done. But I am prepared to get into it as much as I can, within my role as it is, and see what the problems are.

Please consider moving these. These are judges that have been approved, that we can clear and move today off the calendar—nominations recommended by Senator BRADLEY of New Jersey, Senator KOHL, and I am not even quite sure who made the recommendation on the judge from Missouri or the one from Colorado. I presume they have broad bipartisan support in those respective States, even though those States do not have a Democratic Senator. Let us do these and see what else we can do.

Mr. BAUCUS. Mr. President, with some bemusement, I listen to my good friend from Mississippi. When a vacancy occurred in Montana for a Federal district court judge, I saw this as an opportunity to find the best person in the State of Montana for this position. This is one power, one thing that a U.S. Senator can do—that is, to recommend to the President of the United States who the President might, in turn, nominate to a Federal district court judgeship.

I took this very, very seriously. I sat down and surveyed the State of Montana to determine who I regarded as the best, the brightest, the most thoughtful persons—Republicans and Democrats, just good thoughtful people—and put together a nominee commission. I called each of them up personally—six, seven, or eight of the best Montana minds and the most thoughtful persons in the State of Montana, Republicans and Democrats—and asked if they would serve. They all said they would love to. I said to each of them, ''I would like you to nominate or recommend to me the best people in our State.'' I said precisely, ''I am not carrying water for any Republicans, any Democrats, liberals or conservatives; it makes no difference. I want the best.'' My commission, my group, then nominated three different people whom they regarded as the best people in Montana to serve in this position as a Federal district court judge. I then sat down with each of the three, interviewed each of the three for hours. I then called my group again and asked their opinions. I talked to all the Federal judges in Montana, all the State district court judges in Montana, and I asked their views.

I can tell you that Don Molloy is the top choice in the State of Montana for this position—by Republicans and by Democrats. There is just no denying that.

I say, in addition, to my good friend from Mississippi, that they need to have this position filled. That is because there is going to be a backlog in our State in the Federal district courts. Why? Basically, because of the unfortunate problems with the alleged Unabomber in Montana, and the Freemen are causing all kinds of problems in our State, which is putting an additional pressure on the law enforcement personnel in our State. Many of those actions will be in Federal district court.

So I ask my good friend from Mississippi why Don Molloy's name cannot be added to the list of four. I am personally not pleading for all 17 on the calendar. But I make a very reasonable suggestion to add one more to the list of four—that is, Don Molloy.

I have heard no substantive objection. I have heard no objection to him. He passed the committee. I believe that these nominees, to avoid this deadlock, probably should be brought up on the floor one by one and let Senators speak in favor or against the

nominees. Let them stand up and say what they think. Let them vote the way they want to vote. I might say to my very good friend from Mississippi that my colleague, Senator BURNS, a Republican from the State of Montana, supports this nominee. He supports this nominee. If you have bipartisan support for our nominee, Don Molloy, I see no reason why he should not be added to that list of four.

Mr. LOTT. Mr. President, there has been objection to this point to this particular nominee. I do not know him. I do not know his record. I am not on the Judiciary Committee. I can only say that we have not been able to get any other than these four approved to this point. Maybe there is some problem there. I do not know. Maybe there is not.

I can sympathize with the Senator, because I remember one time that my State of Mississippi agreed to go along with a nominee from Louisiana, who was particularly well qualified to be a member of the Fifth Circuit Court of Appeals—basically, a Mississippi position. Because there was such a uniquely qualified nominee, a former Congressman and Governor that we withheld with the insistence that it be a nominee from our State. So that nomination went forward, and then it languished, and it laid there, and it seemed to be objected to. Finally, the term ended, or that session of the Congress, whatever that was—maybe the 98th session. At any rate, there was never an explanation of what the problem was. There was an objection by the Democrats to this fine man, who clearly had judicial temperament, was highly rejected, ethical, a former Congressman and Governor and, yet, it just stayed there and never was considered.

So I understand how the Senator feels about this. But it is a unique thing to the Senate to make the recommendations to Presidents for the Federal district judges, as well as appellate courts, even though appellate courts are treated a little differently than Federal district judges. It is also a unique Senate prerogative to have an objection to a judge. Obviously, it can come from some other State, some member of the Judiciary Committee—who knows? Sometimes it is very difficult to find out exactly what the problem is. But they have a way, in many instances, of working themselves out.

Again, the majority leader has said to the minority leader that he would like to move as many of these as possible.

Mr. BAUCUS. I can help the Senator move one more right now. That is my suggestion. That is helping the leader. He can move one more.

Mr. LOTT. We do not have that one cleared and the other 12. But we do have four cleared. When those are done, we will try some others. I make one last plea to the Senator. I believe that if he would let these four go, it would help break down the dike, and we would see others move.

Mr. BAUCUS. Mr. President, I appreciate the remarks of my very good friend. We simply have heard no good reason why Don Molloy should not be on the calendar.

It is with great reluctance that I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I thank the distinguished Senator from Iowa for allowing us to have this exchange in an effort to try to clear some judicial nominations.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Iowa.

CHINA MOST-FAVORED-NATION STATUS

Mr. GRASSLEY. Mr. President, earlier today the Senate Finance Committee heard testimony on the issue of most-favored-nation trade policy for China. As you know Mr. President, the President of the United States, President Clinton, on May 20 announced that China would be granted most-favored-nation status for another year. This is an annual determination made in the case of China. For the other 100 and some nations that have most-favored-nation trade status with us it is more on a permanent basis. It does not have to be annually like it is for China.

I might say, too, for the benefit of my colleagues that there are only about five or six countries that would be called major trading partners, or potential major trading partners that do not have most-favored-nation status. So I am not sure that the terminology is very good when it really kind of refers to normal trading status between the United States and any other country. But it has been titled like this for decades. So it sounds like maybe really more than what it really is. But the President made that decision.

I wanted to announce my support of the President's decision. So we are going to enter a period of time here where Congress debates whether or not the President is right to have granted most-favored-nation status to China, and also we will do that through a resolution of disapproval of the President's action. So if the resolution of disapproval does not pass the Congress then, of course, the President's actions will stand. If it would pass Congress by a majority vote but the President would veto, which you would assume that he would, then presumably unless there are votes to override—which means two-thirds majority—that the President's action would still stand.

So I think it is fair to assume that regardless of the annual exercise we go through, regardless of the motion of disapproval being approved, in the final analysis there will not be a two-thirds vote to override the President's actions. So China will have most-favored-nation status for another year.

I personally believe—and I support, of course—that the President's decision should and will be upheld. But there is a lot of sentiment against China on Capitol Hill, and recent developments in our relationship with China has not helped China's chances of success in fighting the motion of disapproval.

Most recently on trade issues in regard to China our United States Trade Representative announced sanctions against China to the tune of $2 billion. These sanctions will take effect on June 17 unless China comes into compliance with the bilateral agreement on intellectual property rights that was reached in 1995. In response to our own Government's announcement of sanctions against China, they in turn said that they would levy 100 percent tariffs on many U.S. exports. These include agricultural products such as cotton, beef, chicken, and vegetable oils.

So it appears that we could be on the verge of a trade war with one of our major agricultural export markets. I want to reflect on this issue by briefly discussing how we got into this position, and what it means for China's chances on MFN.

Mr. President, as you know, the Clinton administration's position on how to deal with China has never been very clear. In fact, I suppose you could put it in a class with a lot of other issues that the President has taken positions on in the past. He has changed his view on this one as well.

In addition, since he has been President, I can say he has had no long-term view on what a relationship with China ought to be. Some have said that the President seems to make policy according to the last person he has spoken to on a given day. That has been a very general comment about the President. But it is one, if you look at specific actions on China, that I think you can apply even more specifically to our China policy.

In 1992, when he was a Presidential candidate, Bill Clinton harshly criticized the Bush administration for being soft on human rights in China. Candidate Clinton vowed at that time to condition China's most-favored-nation status on—these are his words—''respect for human rights, political liberalization, and responsible international conduct.''

That is what the President said was wrong with President Bush's position on China.

Just 2 years later, President Clinton favored separating human rights from most-favored-nation status, and he favored that year granting China MFN status, as the Bush administration had done, and as the Reagan administration had done. And it even goes back beyond that.

While the President was changing his mind, there was not any evidence whatsoever that China had altered its behavior to satisfy President Clinton's very own standards that he had enunciated in 1992 on the issue of MFN. Recently the contradictions and rhetoric have become more pronounced, and the consequences even more important.

Our lack of a tough and clearly defined policy toward Beijing has created a new atmosphere in China. It is an atmosphere in which China decided that it can ignore its responsibilities to the world community.

So my question to you is this: Does this administration have credibility in dealing with China? I think that lack of credibility is part of the reason that we have problems not only with our government toward China but also within the United States of whether or not our policy toward China is right. This constant changing of policy does not send a very clear signal to the American people of the benefits of MFN, or the importance of continuing MFN for China. You see some of this in China's action—its attempt to intimidate Taiwan prior to its election through so-called military exercises. China has allegedly sold nuclear materials to Pakistan, but denies knowledge of doing so. Now it has blatantly violated its intellectual property rights agreement with the United States. Do you think that China would behave in this manner if they really took the President's rhetoric seriously? Our own United States Trade Representative has announced sanctions due to China's breach of the intellectual property rights agreement. I support these sanctions, and I have not found any opposition to these sanctions. The credibility of the United States and our ability to enforce future agreements would be very much on the line and questioned if we did not impose these sanctions. However, if we had had a more consistent policy toward China in the last few years, I think this situation on the intellectual property rights could have been avoided. Unfortunately, Congress will have to debate China's most-favored-nation status with its looming trade dispute as a backdrop. For many Members it will be difficult to go home and justify voting for MFN while China openly violates existing trade agreements. So I am afraid that the vote may be very close.

Mr. President, it is important to consider the implications of not extending most-favored-nation status at this time.

In 1995, United States exports to China totaled about $12 billion. Those exports would be jeopardized. Tariffs on products coming into the United States from China would also be raised significantly. This amounts to a tax, of course, on our American consumers, so American businesses and consumers will suffer.

The MFN debate is no ideological exercise. It affects business. It affects jobs for Americans. It affects consumer costs. So we are talking about pocketbook issues in dealing with MFN. There is at least one area that will suffer if MFN is revoked. It is of interest to my State of Iowa. That is agriculture. Those of us from agriculture States know how especially important this debate is. It is very important.

Is the Chair speaking of the 10-minute thing?

The PRESIDING OFFICER. Yes.

Mr. GRASSLEY. I thought I yielded to the speaker without losing my right to the floor; I was protected.

The PRESIDING OFFICER. Unanimous consent was granted.

Mr. GRASSLEY. OK. Then I should have objected to the unanimous consent request. But the unanimous consent overrode the unanimous consent I had to have my right to the floor.

The PRESIDING OFFICER. That is true.

Mr. GRASSLEY. I ask for 5 more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRASSLEY. Those of us from agriculture States especially know how important the debate on MFN is. China has a population of 1.2 billion, which is one-fifth of the world population, but it has only 7 percent of the world's arable land. So China will continue to import large amounts of its food needs. The good news for the American farmer is that the diet of the Chinese people is changing rapidly. Meat consumption is growing 10 percent per year there, or a staggering 4 million tons annually. So value-added exports will play a very important role in China's future and in the agricultural exports of our country to China.

The potential for growth over the coming decades is extremely high. We are going to have a 75-percent increase of exports to Asia, and 50 percent of that increase by the year 2000 is going to be with China. So by the year 2030 this is going to be a very important market for America and particularly for American agricultural.

It also relates very well with our new farm program. This program will have a declining amount of appropriations for agriculture to a phaseout by the year 2002. So farmers will earn more from the marketplace, and our ability to export is very important in accomplishing this. China, of course, will play a very important role in these exports.

So I think our policy toward China must be one of aggressive engagement. We need to continue to negotiate agreements with the Chinese on trade and other matters as well. We must work to bring China into the world community of nations, and I believe that these actions will ultimately bring about real reform within China. Granting most-favored-nation status should be a part of that policy.

We had a debate in the Finance Committee a few weeks ago about how misleading the term MFN is. It is not something special. As I have already said, it is something that is granted to all but a handful of nations. But with that said, we must still vigorously enforce all of our agreements with China. Trade agreements are not worth the paper they are written on if we are afraid to take appropriate measures of enforcement.

There is a real old saying in the Western United States of ''keep your door unlocked, but if you do, keep a shotgun behind the door.'' I think that is how I see our activities with China. You have to be open with them, but we have to be prepared to make sure that they stick to the agreements as well. So we have the WTO accession negotiations with China coming up. That gives us an opportunity to discuss with the Chinese all of the concerns raised in the MFN debate. We can also use the imposition of 301 sanctions to accomplish our goal.

That is a much better environment than the MFN debate for bringing China to the table and around to the international norms that they say they agree with, the international norms of trade agreements being followed, the international norms of human rights that are in the United Nations Charter, the international norms of rule of law, and you can name a lot of others. China says that they accept them. A lot of people who do not want MFN status say since China does not meet these international norms all the time, we should not grant MFN. But these other environments are the place for those issues to be discussed.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. Is this morning business?

The PRESIDING OFFICER. It is, indeed, with 10 minutes allotted for each speaker.

Mr. DOMENICI. I yield myself the 10 minutes.

TRUSTEES REPORT ON MEDICARE AND SOCIAL SECURITY

Mr. DOMENICI. Mr. President and fellow Senators, the trustees' report on Medicare and Social Security has just been delivered. Everybody should know that is a report that is put together by a six-member commission, four of whom are either Cabinet Members of the President or hierarchy of the Social Security System itself.

On page 10 of the summary of that report, the following statement is found:

> The trustees recommend the earliest possible enactment of the legislation to further control the HI program costs and thereby extend the life of the Hospital Insurance Trust Fund. This is, however, only a first step in what must be a long-term process to achieve balance between HI costs and funding.

Now, I repeat, these trustees I do not believe are Republicans. They are not Members of the Congress. Three of

them are members of the President's Cabinet. One of them is the administrator or the head person at Social Security. Then there are two outside citizens.

Now, what they have said is this fund is going bankrupt 1 year earlier than we thought. I know no one wants to hear that. No one wants to really face up to the reality, but they have said we were wrong even last year; it is going to become insolvent even sooner, so they now say it will be insolvent in 5 years.

That means it is already annually spending out more than it is taking in, and but for a surplus, there would not be enough money to pay the bills. Then they say that 5 years out there will not be any surplus at all and the money coming in will be tremendously deficient in terms of paying the bills.

Now, I do not believe it is asking too much and I do not think senior citizens would think that it is asking too much for us to fix that. Should we wait another year and then we only have 4 years to fix it? Should we wait 4 years and wake up in the morning and say, seniors, it is right around the corner; there is not going to be enough money to pay the hospital bills? Or should we fix it now? Actually, these trustees recommend that we do this at the earliest possible time, and they recommend that we do this by further controlling costs.

Mr. President, I want to update the Senate on the status of the Medicare trust funds. Yesterday, we received the annual reports from the Medicare trustees.

The new report tells us that the hospital insurance (part A) trust fund will go bankrupt early in the year 2001. Last year's report predicted bankruptcy in 2002, so we've lost 1 year there. In addition, the President's veto of last year's Medicare reform plan means we have lost another year. We are now 2 years worse off than we were 1 year ago today.

The report tells us that Medicare spending is 2.7 percent of the economy right now. If we don't do anything to slow the growth of Medicare spending, that will more than double, to almost 6 percent of the economy in the year 2020.

The report confirms that the trust fund ran a small deficit for the first time last year. The report tells us that if we don't do anything, in the year 2005 the cash coming into the hospital insurance trust fund will be $130 billion less than the cash we need to pay hospital benefits.

Let's talk about the plan we're proposing in Congress. Our plan would spend $1.48 trillion on Medicare over the next 6 years. Yes, it would slow the growth of Medicare spending, from about 10 percent per year, to 6.2 percent per year. That's still more than twice the rate of inflation, a goal the President endorsed 3 years ago.

The President says that our short-term goal should be to keep the part A trust fund solvent for 10 years. Our plan does that; his does not. His keeps the trust fund solvent for only 1 year, and plays a shell game with $55 billion of home health spending.

I can summarize the budgetary goals of our Medicare reform plan in two quick points, Mr. President. For Medicare part A, we will meet the goal of keeping the part A trust fund solvent for more than a decade without any shell games.

And for Medicare part B, we will achieve the same level of savings as contained in the President's budget.

Keeping the part A trust fund solvent requires making hard choices, Mr. President. Our plan saves money first by restructuring the system to provide seniors with more choices. Today we have a Medicare Program which is modeled after a state-of-the-art health insurance plan from the mid-1960's.

It is time to bring Medicare into the 1990's, and to prepare it for the next century. Over the past 10 years, workers in the private sector have seen their health insurance coverage change. More of them are choosing to move into managed care, and more of that care is being delivered through networks of providers which can care for the entire patient.

Many workers in the private sector and Government employees have health care choices, choices which many Medicare beneficiaries do not have today. I believe that by offering seniors a wide range of options, and by making private firms compete for the business of seniors, we can better meet the beneficiaries' needs, and we can save money as well.

The trustees' report tells us that Medicare spending per beneficiary grew about 10 percent over the last year. We simply cannot sustain a program in which each year we spend 10 percent more for each person. We need to restructure the Medicare Program so that beneficiaries can make intelligent decisions about how they can best receive medical care.

Our plan would also make some needed changes in the way we pay providers. Most hospitals are paid by the prospective payment system. A hospital is paid a specific amount for a certain medical condition. This fixed, up-front payment encourages the hospital to deliver care efficiently. While the prospective payment system has not done enough to control hospital spending, it was definitely a step in the right direction.

Our Medicare reform plan would reform how Medicare pays for home health services, and for services delivered in skilled nursing facilities. These are the fastest growing components of Medicare spending today, and we need to restructure the way we pay these facilities to help control costs.

Our Medicare reform plan would also reduce the rate of growth in payments to providers. This is nothing new, Mr. President, and if we are to control costs in the short run, we must do it. But to those who claim that we are going to actually cut payments to providers below today's level, I say you are absolutely wrong. Even after reform, payments to hospitals and physicians will go up.

The providers, Mr. President, should be among the strongest supporters of our reform plan, because they will ultimately benefit from a system that delivers and allocates health care more efficiently. As more Medicare beneficiaries participate in privately offered Medicare plus plans, we can get the Government out of the relationship between a patient and his or her doctor. We can allow doctors to practice the best kind of medicine they know, and we can allow a patient and a doctor to cooperate in making smart and economical decisions about the amount and type of care that a beneficiary needs.

Our Medicare reform plan would enact real reforms to control Medicare program costs so that we can keep the Medicare trust fund solvent for 10 years. Once we have done that, we can then begin to address the longer-term financial problems that will result from the retirement of the baby boom generation.

That is in direct contrast to how the President's budget proposes to deal with Medicare. The President's budget contains a Medicare shell game which just moves money around from one pot to another. The President's Medicare shell game would mislead Medicare beneficiaries, hard-working families paying taxes, and the Congress about the health of the part A trust fund.

And the President's Medicare shell game would place $55 billion more pressure on income taxes. It makes you wonder if this is really just a back-door way to increase taxes, Mr. President.

The President's plan would take $55 billion of home health spending, which is currently paid out of Medicare part A, and would say that it is no longer going to be paid from the Medicare part A trust fund. He would transfer responsibility for that spending from Medicare part A to Medicare part B.

Why would you do that? For one simple reason: it makes the part A trust fund look better. Since you're no longer spending that $55 billion from the part A trust fund, that trust fund goes bankrupt more slowly, and it appears healthier. But you haven't really done anything to address the problem, because the spending still exists in medicare part B.

By playing this shell game with home health spending, the President claims to keep the trust fund solvent, when really all he has done is shift the problem from one part of Medicare to the other. That would be bad enough, if that's all there were. But unfortunately there is more.

Medicare part B is paid for from two sources. Premiums paid by beneficiaries cover 25 percent of the costs, and income taxes from hard-working

American families pay the other 75 percent. Every $1 paid by a medicare beneficiary for doctor's services through Medicare part B is subsidized by $3 from working taxpayers.

We know that the President's Medicare shell game transfers $55 billion of home health spending from Medicare part A to Medicare part B. So it would make sense that, if you did that, beneficiary premiums would go up to pay for 25 percent of those costs.

But they do not. The President's shell game transfers the $55 billion of spending from part A to part B and makes the part A trust fund look healthier, but he exempts the transferred spending from the calculation of the premium.

So who do you think pays for it? Where does the $55 billion come from to pay for the transferred home health spending? Under current law and under our reform plan, it comes from the payroll taxes that pay for part A benefits, and are needed to keep the part A trust fund solvent.

But if the $55 billion is now paid from part B, but the premiums paid by beneficiaries are not going to pay for any of it, then the entire $55 billion cost will be borne by hard-working, taxpaying American families. Rather than subsidize three-fourths of this spending, as they do for all other part B services, the President would make working taxpayers subsidize the whole thing.

Let me summarize the shell game, Mr. President:

First, transfer $55 billion of home health spending from part A to part B;

Second, this makes the part A trust fund look healthier, when actually nothing has changed;

Third, exempt the $55 billion from the calculation of the part B premium;

Fourth, and therefore make working taxpayers pick up the entire $55 billion cost.

I wonder if there are plans to extend this shell game in the future, Mr. President. If he wanted to, each year the President could propose to transfer some more spending from Medicare part A to Medicare part B. He could exempt it from the premiums, and each year he could claim to save Medicare. But in reality all he would be doing is misleading the American people and Medicare beneficiaries, allowing Medicare to go bankrupt, and raising taxes on hard working American families. I sincerely hope that this is not the President's goal.

Now, Mr. President, I am going to insert a statement in the RECORD because of the lack of time that explains in detail the proposal that the Republicans have submitted this year. This proposal, which is working its way through the Congress, would save the trust fund for 10 years.

I want to spend a little bit of time talking about what the President of the United States does not do. It has been very difficult. It seems like nobody wants to write about what the President is proposing, but I believe we ought to tell the public what he is proposing and let them pass judgment upon whether he has a bona fide, legitimate 10-year fix of Medicare. The proposal that our committees will work on, everybody agrees, will make the trust fund solvent for 10 years. But now let me suggest how the President goes about solving this problem. I wish I was a better wordsmith because what he has done just cries out for some simple few words to explain it that everybody would understand. But I am not very good at that. The closest I can come to it is a flimflam, a hoax, a charade. So let me try to tell you what I mean.

The trust fund has money coming into it from all the workers of America. All the hard-working people getting paychecks, they will see a little piece of it taken out, and it goes in this trust fund to pay for hospital and home health care for senior citizens. It is a lot of money. The problem is the costs in that fund have grown 10 percent a year and the taxes going in are not growing at 10 percent a year.

Some say we can cover seniors and modernize this system, and instead of growing at 10 percent a year, maybe we can cover it at a growth of 7 percent a year. Some say the providers that are charging for this care have to charge in a different way and we have to prevent fraud and we have to make sure that we are not being overcharged as we attempt to take care of seniors for their hospital care.

The most interesting thing about this is that out of that fund currently, we also pay for home health care for seniors. It does not matter to the Senator from New Mexico how one explains how that happened to come about. The truth of the matter is, when these trustees were referring to reducing the costs, they were referring to reducing the costs of what we are paying for out of that trust fund.

One of the big-ticket items that we have committed to pay for out of this trust fund for our seniors is home health care. It just happens that home health care is growing rapidly. As a matter of fact, if you looked in that trust fund and zeroed in and said, ''What are we paying for,'' and you asked, ''What is it costing,'' the fastest growing one is home health care for seniors. It is growing at 19 percent a year.

The trustees recommended that we try to reduce the costs of this program. Listen carefully. Here is how the President did it. He said, let us not pay for home health care from the trust fund. Let us take the spending out of the trust fund. It is a small item, $55 billion over the next 6 years. Let us just take it out of there and not pay for it out of the trust fund anymore.

That is marvelous. If you can do that with immunity and if you can do that without charging somebody for the $55 billion, you have a marvelous budget. We just got rid of $55 billion worth of debt that that trust fund is obligated to pay for our seniors, and we say we are not going to pay it anymore.

Obviously, if you do that you have already made the trust fund solvent for a little bit longer. You took away $55 billion of its obligation. And what does the President do with it? He says we are going to pay for that from general revenues, paid by the working taxpayers of America.

How do you like that? All of a sudden, whack, just like that, we transferred $55 billion from the trust fund to all the hard-working people of the country. Mr. President, $55 billion of their taxes are going to go to pay that. And all of a sudden, the trust fund got a little more solvent.

The trust fund may be getting solvent, but the taxpayer is going broke. The youngsters in America, with children, trying to raise a family, they could not have even dreamt of such a marvelous gift from the President. Suppose they woke up one morning and he said, ''I have taken $55 billion out of that trust fund, and you pay for it. But I have made the trust fund solvent because I just got rid of $55 billion worth of things it has been paying for.''

Frankly, if that is how you want to fix the trust fund, why do we not go over and ask those who are taking care of the trust fund and paying the bills, why do we not say, ''Why do you not give us another whole bunch of bills we are paying for seniors out of the trust fund? Why do you not find another $50 billion and let us not pay them anymore out of the trust fund. Let us take those responsibilities out and say we are going to pay for them, we are just not going to pay for them out of the trust fund?''

Then who is going to pay for them? Certainly we are not saying nobody is going to pay for them. Certainly we are not saying we are going to take them away from the seniors. We are just saying the taxpayer will pay. We are just saying let those hard-working people pay. They do not know it, but we just put another tax on them.

Frankly, if I sound a bit let down, if I sound a bit frustrated, I am both. I am really let down.

I ask for an additional 5 minutes, Mr. President.

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

Mr. DOMENICI. If I appear a little let down, I am. If I appear a little bit kind of chagrined, I am. Because we set about to do precisely what the trustees said. We tried to reduce the costs to the trust fund of providing this care. We wanted to make the system modern, give seniors options instead of the 30-year-old program, one program for all seniors. We thought we could save them money if we gave them options. We thought they might get more coverage if we gave them options. We worked very hard on how can we change the way we keep the system from getting defrauded. We worked very hard at how we pay and make sure we are getting our money's worth for all these hospital bills.

Isn't it something, after you have worked like that, you have gone across the country and told the people you are doing it, along comes the President and, overnight, in the budget, says, ''I just found a way to save $55 billion. Just take it out of there and let somebody else pay for it.''

I do not understand why people are not asking the administration, and those who represent the administration: How can you do this? Who is going to pay the $55 billion that you just relieved the trust fund of? Who is going to pay it? Is it manna from heaven, going to fall down somewhere and nobody is going to have to pay it, or are we going to find a way not to provide it to seniors?

So I thought it was very important to explain this, one day after the issuance of the latest report—and, senior citizens, with each year the report is getting worse. It is not going to get better. We have to try to fix this program. I do not believe anybody really thinks that fixing it means letting us transfer the costs of it to working men and women who already are paying too much taxes. We do not exempt them. We did not find a way to exempt the way their tax is. They are going to pay for it.

I venture to say, in closing, if somebody were to offer a bill to the U.S. Senate that said, ''Let us put a $55 billion tax on Americans' general income tax and let us transfer that to the trust fund to pay for hospital care for seniors,'' I venture a guess that it would not get 15 votes. For everyone knows you cannot take every trust fund that is around, and when it is not quite able to do its job, just go out and say put an income tax on the public to pay for it. This was a trust fund. We told the working people you will pay a fixed amount, put it in there, and it will take care of this. And we have not yet even attempted a reasonable effort to reduce the costs and supply seniors with adequate hospitalization.

We are just coming to grips with the problem, and along comes an opportunity to do it together and do it right with the President and the Congress working together, and the President finds a way to get rid of the problem, about half the problem, by deciding to move $55 billion worth of costs out of the trust fund and saying, ''We'll pay for it another way.''

I do not like to just always paint the side of the picture the Senator from New Mexico sees. There will be some who will say it is pretty logical that we should take out home health care. Maybe it should not be in there. But the truth of the matter is, when you do it this way, you have perpetrated on the public a vicious misrepresentation, for you are telling them you made it $55 billion more solvent, and you are not telling them how it is going to be paid for, on whose shoulders is the cost going to fall as this $55 billion has to come out of the general coffers of America.

I am quite sure that the President might say, ''I don't intend it that way,'' but I ask, how do we intend to pay for it otherwise? It could be that since we are moving that down into another provision of health care for seniors, maybe the President is going to propose that we raise the costs of that program to seniors. They pay 25 percent of that. The taxpayers pay 75 percent of that. That is for the insurance policies for everything but hospitalization. Perhaps the President will come along here and say, ''We've got to make sure the seniors bear a portion of that cost.''

I do not find that anywhere in the budget. So I am assuming it comes out of the general tax coffers of the country to pay for making the trust fund solvent.

Again, in summary, if it is the intention of the Congress and the President to make the trust fund solvent, not by reducing costs but by paying for a big portion of it out of general taxes, maybe we ought to tell everybody that. Maybe we ought to say that is how we are going to provide for this hospitalization. I do not believe anybody thinks that. I do not believe anybody thinks you are going to make that fund solvent by taking 4, 5, 6 percent of the general taxes that Americans are paying and put it in there. Pretty soon there will be no tax dollars for anything else.

So I thought it was very important that we get the message out. I had hoped I could have gotten it out yesterday. It would have been more in rhythm and in sequence with the issuance of the report, but we had other important things to speak of, so I came today to do it.

Mr. CRAIG. Will the Senator from New Mexico yield?

Mr. DOMENICI. I will be glad to yield.

Mr. CRAIG. I want to thank the Senator from New Mexico for his statement, and it is timely. It is important the record show that.

Yesterday, we heard from the trustees, the actuarial study of the state of the trust fund of Medicare. This Senator happens to be holding town meetings across Idaho on Medicare. I can tell the Senator from New Mexico, there is one question always asked. In your package, and I am using the comparative between what you did, what Senator ROTH worked in producing, what the Senate finally voted on to reform Medicare a year ago, and I compare it with what the President had offered, and they say to me, ''Well, now, home health care, that's a very important part of keeping costs down. Why is the President doing what he's doing?''

I try to explain it to them. They say, ''Well, then doesn't that mean it just gets funded out of the general fund?''

I say, ''With no other form of taxation or revenue source''—as the Senator from New Mexico just pointed out—''you are absolutely right.''

They say, ''Well, that takes it out of the character of the kind of health care this country needs.''

We ought to be moving people toward home care. It is the least expensive way, or it is a less expensive way, certainly, and it clearly offers that senior who needs this kind of health care the sanctuary of the home. We ought to be driving toward that.

The Senator from New Mexico, I think, has made a very important statement in that area. Let me thank him for doing so. I do not want to have to deal with this issue again this year, but if we do, I do not want the President sitting down there saying, ''We're slashing it,'' when there is less than a half a percentage point difference in what we are doing.

I think the thing that is most interesting for those attending my town meetings—we use the charts and the graphs; we show the President's plan and our plan—they say, ''Where's the difference?''

I say, ''We offer more options, and those options help bring costs down.''

They say, ''We see that, Senator, but we thought you were destroying the program.''

I say, ''Well, when the facts are on the table, no one—no one—in this Senate will ever do that. But we are on the board of directors, if you will, of Medicare and we have to make the necessary corrections to get it done.''

I think your points today are valuable, very important to the whole of the message, and I thank you for bringing it to the floor of the Senate.

Mr. DOMENICI. I thank the Senator. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, there is another aspect which I have not spoken about, and I will take a minute to discuss it. It is entirely possible that when you take expenditures out of the trust fund that were obligated to be paid by that trust fund, that you might be diminishing the quality of what you are giving seniors, for if the obligation is in the trust fund, it is a pure trust responsibility to pay for those kinds of things for seniors. If you take it out and say it is going to be paid for out of the general fund, it may be that down the line, we will turn it into welfare or we will pay less for it because we will be saying, ''It's not in the trust fund; it's something we can control by just turning the money off or on.''

I have not said that other than today, but I do believe it is subject to a serious question: Do you diminish the expectation rights of seniors to home health care if you take it out of the trust fund and put it in another place under another fund which may not be quite as secure in terms of the commitment?

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

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. SIMON. 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. SIMON. Mr. President, I want to speak just briefly on two subjects.

TRIBUTE TO DANIEL E. MOSS

Mr. SIMON. Mr. President, I served for 10 years over in the House. Handling the garage entrance there has been a police officer, D.E. Moss. I learned today he is retiring today. I am probably like most of my colleagues. We just do not thank people around here enough. Here is an officer who is great to us who serve in Congress. More importantly, he has been great to the public. He has just made a great impression for the U.S. Government and has served our people well.

I think of him. I think of Ed Litton who is down in the Dirksen Building, an officer who works there at the subway. But it is true of the people who record what we have to say, whether it has merit or not, the people who sit at the front desks, the pages, the people who work the doors, all the people who really make this place function so well.

D.E. Moss' retirement is a good occasion to remember that we are in debt to a great many people.

Mr. CRAIG. Would the Senator from Illinois allow me just a few comments in that regard?

Mr. SIMON. I would be pleased to yield to my colleague.

TRIBUTE TO SENATOR PAUL SIMON

Mr. CRAIG. While I do not want to speak of Mr. Moss—and I am pleased you recognized him—I want to speak about you for just a moment, and to thank you for the relationship you and I have had on the issue of the balanced budget amendment to the Constitution. We were not successful a few moments ago on another very important vote.

But I must say, in all fairness—and I want the Record to show this—that over the years that you and I have worked side by side on this issue, I think most of the public watching would have said, ''Isn't that interesting. Here is a liberal and a conservative.''

We took the politics out of this. It was a bipartisan effort, a strong one, on the part of the Senator from Illinois and this Senator. Out of that relationship and our commitment for fiscal responsibility, I have developed a very fond respect for you and all of the work you do. While you and I disagree on a lot of issues, we have worked together very, very well.

Let me thank you publicly, and for the Record, for the tremendous effort you put forth and the contribution you have made toward bringing a balanced budget amendment to the Constitution to the American people. A very special thanks to the senior Senator from Illinois.

Mr. SIMON. I thank my colleague from Idaho, and my thanks to Senator COVERDELL from Georgia. I knew Senator CRAIG when he was Congressman CRAIG. We said hello, but that was just about it. But I had a chance to work with Senator CRAIG here and came to have great respect for him. I am grateful to all those who were helpful to us: Senator HATCH, Senator THURMOND, Senator HEFLIN, Senator BRYAN, others in both political parties.

A balanced budget constitutional amendment, one of these days, has to pass. The question is, how much we are going to hurt our Nation before we pass it. There is just no question, if we had passed it back when John F. Kennedy complained about spending $9 billion on interest—today we are spending $344 billion on gross interest—what a much better country we would have. We cannot wait another 5 or 10 years. We are going to have chaos.

THE GROWTH OF LEGALIZED GAMBLING

Mr. SIMON. Mr. President, I will speak just briefly on another subject. That is, Senator LUGAR and I and Senator WARNER and a total of 25 of us on both sides have introduced a bill to say, let us have a study of the growth of legalized gambling in our country.

This is not the most Earth-shaking thing, but the fastest growing industry in our country is legalized gambling. And there are problems with that. It is the only form of addiction that Government promotes. We would be shocked if we saw a sign saying, ''Smoke Marlboro cigarettes. You know, they're fun to smoke'' or ''Drink more whiskey. You'll really have a good time,'' because both of those provide revenue for Government. But we do not seem to be shocked when there are billboards, like on the south side of Chicago, saying, ''The Illinois lottery—this is your way out.'' This is the impoverished area of Chicago. That is not the way out for people. It is education. It is hard work. It is the kind of things that we know have to be done.

So Senator LUGAR, Senator WARNER, and I introduced this legislation. To the credit of Senator STEVENS and his committee, it was reported out by voice vote. Now we want to move it through the Senate. The House has already passed a bill. We have to work the two out.

My hope is that we could get this done quickly. I spoke last week to Senator DOLE. I would love to see, before BOB DOLE leaves, the Senate have us pass this legislation.

The New York Times 3 days ago had an editorial urging the Senate to pass this legislation.

The Christian Science Monitor has an editorial. The last paragraph reads:

> It's time society knew the real costs of gambling. The Senate should pass the measure without delay.

I hope we do this. I have no illusions. We are not going to stop legalized gambling in this country. We are not going to close Las Vegas or Atlantic city. But I think we should be looking at the possibility of steps to limit the growth. For example, you can now or shortly will be able to, on the Internet, gamble by computer using your American Express or Visa or some card. We do not know where that is going to lead. I think a commission ought to be looking into this.

There are people who get addicted. I got into this because my mother is a member of a Lutheran Church in Collinsville, IL. And a substitute teacher at a Lutheran school of that church, unknown to her family, got addicted to gambling. They thought the money was going for rent and paying the bills and so forth. One day they came home and there was a note saying you could find her in the shopping mall parking lot. She had committed suicide. She went to a riverboat casino and got addicted. And you know, these stories multiply.

Mr. President, I ask unanimous consent to have printed in the RECORD these two editorials.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 3, 1996]

GAMBLING IN THE SENATE

Despite intense opposition from the gambling industry, the Senate Governmental Affairs Committee has approved a worthwhile measure to create a national commission to review the social and economic impact of casinos and state-run lotteries. Chances are good that it would win easy approval by the Senate, much as a similar bill unanimously passed the House in March. But there remains a danger that Senate Republican leaders may try to kill the measure quietly by failing to allow time for a vote on the Senate calendar.

The bill approved by the Senate committee is a somewhat watered down version of the House plan, which was proposed by Representative Frank Wolf, a Virginia Republican. But it is a marked improvement over the revision proposed earlier by Ted Stevens of Alaska, the committee chairman. The compromise fashioned by Mr. Stevens and the bill's sponsors—Richard Lugar, Republican of Indiana, and Paul Simon, Democrat of Illinois—grants the commission adequate subpoena power and a sufficiently broad mandate to examine gambling's consequences in communities around the country.

As various forms of gambling have spread across the nation, there has been little effort to examine the economic and social impact. State and local political leaders faced with deciding whether to approve gambling in their area, or expand its presence, often have little hard information available to assess the advantages and disadvantages to their communities.

Bob Dole, now in his final days as Senate majority leader, has indicated support for a Federal commission, despite heavy financial support for his Presidential campaign from

the gambling industry. But, at least for now, the bill is not on the list of measures he hopes to pass before he departs the Senate around June 11. Mr. Dole's likely sucesssor, Trent Lott of Mississippi, has voiced reservations about forming a national commission.

With pro-gambling lobbyists working overtime to defeat those good idea, the best step now would be for Mr. Dole to bring the bill to the Senate floor before he departs. In doing so he can serve the public good and demonstrate his independence from a wealthy special-interest group.

[From the Christian Science Monitor, May 20, 1996]

GAMBLING: A BAD BET

The Senate Governmental Affairs Committee last week approved a bill to set up a national commission to study gambling in the United States.

The bill calls for the commission to examine the social and economic impact of gambling on communities and individuals and issue a report within two years. it would look at all forms of gambling, including new forms of interactive computer technology and gambling over the Internet. Three commission members would be named by the president, three by the Speaker of the House of Representatives, and three by the Senate majority leader. The board would hold public hearings and have the power to subpoena witnesses.

Such a study, which joins a number of state-sponsored inquiries, is long overdue. The states' headlong rush over the last 20 years into lotteries, bingo, riverboat casinos, and other gaming was accompanied by promises of economic development, more state funding for schools and other services, and ''harmless'' entertainment.

Not one of these promises has come to pass. Instead of economic development, discretionary spending is drained away from other, more-productive spending on goods, services, or entertainment. Instead of spending more on education or social services, legislators have taken away general funds in equal amounts and merely replaced the money with lottery and keno revenues. Instead of harmless entertainment, there is organized-crime involvement, gambling addiction, and a whole host of personal problems fed by the lure of ''easy money.'' The states, themselves addicted to gaming revenues, are forced to invent new games to augment lottery earnings lost to competition.

The gambling industry opposes creation of this commission, worried it will find that gambling causes more problems than benefits for states and communities.

It's time society knew the real costs of gambling. The Senate should pass the measure without delay.

Mr. SIMON. I urge Senator DOLE, if possible, prior to Tuesday, to bring this up. I would hope we could pass it quickly. If that cannot happen, I hope Senator LOTT or Senator COCHRAN, I am not voting on who will be the leader over there on their side, but I hope that we could move on this quickly. I think it is clearly in the national interest. This, again, is not an attempt to stop legalized gambling in this country. It is an attempt to say ''Let's look at where we are.''

I see the distinguished chairman of the Finance Committee. He is nodding, either because I was speaking, or he wishes to speak. I yield the floor to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

MEDICARE TRUST FUND SOLVENCY

Mr. ROTH. Mr. President, I rise today with grave concerns that the Medicare hospital insurance trust fund is no longer creeping toward insolvency, but galloping toward it.

This is very serious news. Based on the Medicare trustees' report released yesterday, Wednesday, June 5, the Medicare HI trust fund is going bankrupt earlier than expected. In fact, according to the trustees' report, of which three of the six trustees are members of President Clinton's Cabinet, the trust fund may run out of money as early as calendar year 2000.

What is happening to the Medicare trust fund is pretty basic. The program is paying out more than it is taking in. This simple dynamic, if left unchecked, will lead Medicare to bankruptcy in less than 5 years. And, simply put, bankruptcy of the trust fund means there will not be money to pay the hospital bills of our senior citizens and disabled individuals reliant on Medicare.

Medicare is on a collision course, and we cannot afford not to act. Taking no action to avert Medicare's collision course toward bankruptcy means leaving millions of seniors and disabled beneficiaries with an empty promise. I believe this is wrong.

It is time to put politics aside.

To address Medicare's financial crisis, it has been suggested appointing a bipartisan commission to develop a solution. I support the establishment of a commission. A commission could facilitate addressing the Medicare crisis. But, I cannot support the idea of establishing a commission if this is a delay tactic or a tactic to avoid addressing the issue.

I am concerned because, frankly, the administration's track record in proposing a solution is not good. Last year, the administration ignored the Medicare crisis. President Clinton's fiscal year 1996 budget did not include any proposals to shore up Medicare's fiscal debt, nor did his budget claim there was a problem. We are facing a crisis. A crisis requires action.

There is a lot of talk about wanting to get down to business to solve the Medicare trust fund crisis. Didn't anyone notice that we tried that last year? That in the Senate we put forward a proposal that would have truly preserved and protected the Medicare Program, not just through the next 5 years, but for the next generation.

Our proposal would have kept our promise to leave a legacy of a robust Medicare program for our children and our grandchildren. And yet, the Clinton administration played politics with Medicare and waged a ''Medi-Scare'' campaign. Yet, again, Democrats now are saying that Republicans are resorting to scare tactics.

I do not agree that scare tactics include alerting the public to factual information reported by the Medicare trustees.

''Medi-Scare'' tactics were used last fall as Congress worked to preserve and strengthen the Medicare program.

Instead of debating the issues and focusing on the need to preserve Medicare, others resorted to political rhetoric that played on the public's emotions and distorted the truth. Democrats kept talking about Medicare ''cuts'', when not one of the Republican proposals would have cut benefits. The program was not ''cut,'' in fact, spending would have increased every year under the Republican reforms. And, then there was the final emotional play linking changes to the Medicare program to a tax cut. According to the Washington Post last September, even this tactic was refuted: ''The Democrats have fabricated the Medicare-tax cut connection because it is useful politically.''

Now, is the time to put partisanship aside. Time is running short, and we need to work together to avert the crisis.

There are three very basic, but crucial facts that we can not avoid—these three facts are:

Fact: if changes are not enacted into law, the trust fund will continue on its course toward bankruptcy and there is no provision in the law allowing for HI expenditures to be made on behalf of Medicare beneficiaries.

Fact: according to the Medicare trustees, Medicare will be bankrupt in 2001.

Fact: the year 2000—the last year the Trustees believe Medicare will be solvent, is less than five years away.

Given the very short time-time Medicare will remain solvent, and given the demographic progression of the Medicare program, we cannot afford more delay. We are already 2 years closer to insolvency because we lost a year to address the problem, and the program is one more year closer to bankruptcy than we expected, yet we are miles away from reaching an agreement on a solution.

Demographic trends will continue to increase financial pressure on the trust fund. Today, there are less than 40 million Americans who qualify to receive Medicare. By the year 2010, the number will be approaching 50 million, and by 2020, it will be over 60 million. While these numbers are increasing, the number of workers supporting retirees will decrease. While we have almost four workers per retiree today, we will have about two per retiree by the year 2030.

Yet, my friends on the other side of the aisle will point out that the President took action in 1993 to extend the life of the HI Trust Fund—he raised taxes. President Clinton's 1993 budget he enacted into law included two taxes to bail out the trust fund. First, the 1993 Clinton budget increased taxes on workers by taxing all wages earned, and second, the 1993 budget increased the amount Social Security benefits are subject to taxation from 50 percent to 85 percent.

Increased taxes were not a solution in 1993, and they will not be a solution in the future.

Last year, Republicans proposed to preserve, protect and strengthen the Medicare program. We worked hard to put together a balanced proposal that did not cut Medicare but slowed the rate the cost of the program was expected to grow. Under our plan that was approved by Congress, annual per beneficiary Medicare spending would have increased from average spending of $4,800 in 1995 to more than $7,200 in 2002.

Under the original Senate Balanced Budget Act as reported out of Finance Committee, the Medicare program would have remained solvent for about 18 years. According to the CBO estimates, under our proposal, the Medicare HI Trust Fund balance would have totaled $300 billion in 2005. The CBO stated, the HI Trust Fund would meet the Trustees' test of short-range financial adequacy.'' In other words, for the next 10 years, the HI Trust Fund balance, at the end of every year, would have been more than enough to pay Medicare benefits for the following year.

More importantly, using the CBO's estimates through 2005, our Finance Committee staff, in consultation with the Office of the Actuary within the Department of Health and Human Services, estimated that the Medicare HI Trust Fund would have been solvent through about the year 2020. That would have meant 10 years after the baby-boom generation begins to retire a quarter of a century from today.

We need to preserve and protect the Medicare program. We need to make sure we leave a solid legacy for the next generations. The demographics and the predictions of cost growth confirm that the program is not sustainable. It is no longer time for rhetoric, but time for action. Playing politics with Medicare is simply wrong. Putting off what needs to be done is the cruelest tactic.

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. REID. 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. REID. Mr. President, I ask unanimous consent that I be allowed to proceed as in morning business.

The PRESIDING OFFICER. The Chair advises the Senator that we are in morning business for statements of up to 10 minutes.

MEDICARE

Mr. REID. Mr. President, there have been a number of speeches made today by colleagues on the other side of the aisle about Medicare. I ask the American public to understand the opposition to Medicare, as a program. For example, I wonder if those same Senators who talk about how they were rallying to help Medicare would recognize that just last year, late in the year, the majority leader of the Senate, Senator DOLE said, ''I was there fighting the fight against Medicare, one of 12, because we knew it would not work in 1965.'' On that same day, at another place in Washington, a speech was given by the Speaker of the House, where he said, ''Now, let me talk about Medicare. We don't get rid of it in the first round because we don't think it would be politically smart. We believe it's going to wither on the vine.'' We have another leader in the House of Representatives, the majority leader, DICK ARMEY, a Congressman from Texas, who is second in command in the House of Representatives. He said, ''Medicare has no place in the free world. Social Security is a rotten trick. I think we are going to have to bite the bullet on Social Security and phase it out over time.''

This is where they are coming from. The Republican leadership does not like Medicare. Look at what Haley Barbour said: ''This is manna from Heaven.'' The Republican National Committee chairman was responding to the Medicare trustees' report that was released when the Republicans were looking for a way to justify their scheme to cut Medicare. ''This is manna from Heaven''—the fact that the Medicare trust fund is in trouble.

The fact of the matter is, Mr. President, we have had Medicare for some 27 years, and there have only been 2 years where in the annual report of the trustees it has indicated that Medicare is in trouble. The reason for that, of course, is that Medicare is a pay-as-you-go system. Every year, the trustees have said, ''You have to do something to take care of Medicare,'' and we do. One of the things we recently did, in 1993—all the Democrats did it, and we did not get a single Republican vote—is we extended the solvency of the trust fund for 3 additional years.

There is a lot of work that we need to do to take care of Medicare. Medicare is a tremendous program. In the early 1960's, less than 40 percent of the American senior citizens had some type of health insurance. Today, almost 100 percent—over 99 percent—of senior citizens have health insurance. The reason they have health insurance is because of Medicare.

Of course, there are things we need to do with Medicare. For people to stand, though, with a straight face and say, ''We are not cutting Medicare; all we are doing is cutting the rate of increase,'' certainly does not answer the question. We have thousands of people coming on the rolls—thousands and thousands of people—every week in the United States. People are living longer. During that period of life extension, they need additional health and medical care. Medicare has been a boon to these senior citizens in their older years to take care of that.

We need money to do that. If you use the argument that has been used by my colleagues on the other side, where, in effect, Mr. President, they are saying, ''This is not a cut; we are only cutting the rate of increase,'' well, if that is a fact, we keep hearing on the Senate floor all the time about defense funding, defense forces. They talk about this increase that we are getting, and that a 5-percent increase is really a decrease in defense spending. Well, that same argument then would certainly apply to Medicare, a nominal funding increase of $1,653 a person. But the fact of the matter is that the purchasing power is at a loss of about $1,000.

So let us talk realistically. The fact that you raise the dollars does not mean in fact that you increase the ability of people to purchase. In fact, it is quite to the contrary.

We know that the Speaker wants Medicare to wither on the vine. The majority leader in the Senate was glad that he voted against it in 1965 because he said he knew it would not work—some 30 years ago.

Well, we are willing to take care of the problems in Medicare. In the budget submitted by the President there is an extension of the problems with Medicare. There are a lot of things that we need to do, and we can do those. But the one thing that we cannot do is continue this Presidential debate and in the process damage the image of Medicare. Medicare has billions and billions of dollars in the trust fund today. Those trust fund dollars will continue to be there for the foreseeable future. We have to, as we have in years gone by, change certain things, and we are going to do that. But we are going to have to wait, it appears, until the Presidential election season is over before we can constructively take care of the problems with Medicare.

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

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent to proceed as if in morning business for 15 minutes.

The PRESIDING OFFICER. The Chair advises the Senator that we are in a period for morning business with Senators allowed to speak for up to 10 minutes.

Mr. GREGG. I thank the Chair.

MEDICARE

Mr. GREGG. Mr. President, I want to talk a little bit about Medicare, which I know has been discussed by other Members on the floor, and specifically about the Medicare trustees' report which I know has also received a fair

amount of attention, as well it should. This Medicare trustees' report, remember, is the second —there have been a number of reports—second in a series of reports that have raised a very large red flag, which red flag essentially had printed on it ''The Medicare Trust Fund is Going Bankrupt.''

The Medicare trustees are independent in the sense that their job is to review what is happening with the Medicare system, do it in an analytical way, and issue a report. Even though three or four of the members are officially members of the administration, they have great credibility as to the integrity of this report.

The first report that they initiated in this area that threw up the red flag in such a large way stated unequivocally—this was almost a year ago now—''We strongly recommend that the crisis presented by the financial position of Medicare trust fund be urgently addressed on a comprehensive basis, including a review of the program's financing method, benefit provisions, and delivery mechanisms.''

Well, the U.S. Congress—specifically the Republican leadership in the U.S. Congress—did address the Medicare trust fund and that specific direction from the trustees. We put forward a proposal which was included in the balanced budget, which unfortunately the President vetoed, that addressed the underlying problem of the Medicare trust fund. It did it by giving seniors an opportunity to have more choices as to the type of health care that they receive. Unfortunately, that proposal was vetoed.

So we now have another report coming out which has said that the original report of a year ago grossly underestimated the problem. This chart sort of reflects the situation. I call this the plane crash chart, the nose dive chart, or whatever you want to call it. This is the blue line that shows what is happening in the Medicare trust fund in the original report that we most refer to around here of a year ago. This red line is the new timeframe for insolvency. It has been moved from the year 2002 to the year 2001. But actually that only tells a little bit of the story when you use those 2 years because of the insolvency which is being projected by the trustees. In the year 2001 they are talking about an insolvency or a deficit of $33 billion in the Medicare trust fund, part A. But in the year 2002, under this new report, they are talking about a deficit of over $100 billion—a massive deficit in the trust fund in the year 2002.

What has the administration's response to this been? It has been to take their head and stick it as far down in the sand as they can and flap their wings in some demagogic manner about how the Republican proposals are going to slash Medicare when nothing could be less accurate or less truthful.

The Republican proposal was that we should slow the rate of growth of Medicare from 10 percent annually down to 7 percent annually and that we should do that by, as I mentioned earlier, giving Medicare beneficiaries essentially the same type of choices that Members of Congress and the Federal employees have today. Today, unfortunately, a Medicare beneficiary has only one really viable choice. They have some experimental choice, and that is called ''fee for service.'' This is the type of health care delivery service we had in the 1950's and 1960's in this country; the type of health care service seniors grew up with and, therefore, are most comfortable with. It happens to be the most expensive type of health care delivery service. People who work in the private sector today, who work in a business place today, who have health insurance, know that there are very few fee-for-service programs, that for the most part we have what is known as mixed cost programs where you buy a health care delivery service that takes care of all your activities when you are an employee.

It might be an HMO; it might be something called a PPO; it might be a group of doctors practicing together. There are a group of variables about how this is done. But today we have basically fixed-cost delivery systems.

What we as Republicans said to the seniors was, all right, if you like fee-for-service, you can stay with it. We are not going to tell you that you have to change, but we are going to encourage you to look at some other services, HMO's, PPO's, groups of doctors practicing together, other types of insurance programs, and to the extent you choose one of these other programs which has to deliver at the minimum the same benefits you are now getting under your health care system, under health care services, to the extent you choose one of those that costs less, because many of them can cost less, then we in the Federal Government are going to give you an incentive to choose that less expensive system.

You may say, well, how can there be a less expensive system that is going to give the same type of care to seniors? It is called the marketplace. It just happens in the marketplace there are a lot of health care providers that are willing to give the same or even better services for less than what Medicare today pays to the average senior for fee-for-service.

That is because we pay so much for the average care for seniors. We pay about $4,800 a year. That is a lot of money for seniors. There are a lot of systems out there that could probably supply that care, and maybe more care—maybe eyeglass care, maybe pharmaceutical care—and do it for less than $4,800 a year. To the extent it was less, we were going to give our seniors the option to choose the least costly service which may be a better service. And the incentive we were going to give them to do it was to keep the difference. If their plan they choose were to cost $4,500, that today costs us $4,800 to pay for their fee-for-service, and the plan they choose was a fixed-cost system that cost $4,500, the senior would keep the $300 difference.

That would create three events. No. 1, it would mean that seniors would have an incentive to go out and look for cost-effective health care. No. 2, it would mean the marketplace would respond with lots of different opportunities for quality health care. And No. 3, it would mean that the Federal Government would get a predictable rate of growth in health care. Instead of having a 10 percent rate of growth, we can conservatively estimate that the rate of growth would be about 7 percent. Why? Because in the private sector, which has done exactly this, which has gone to a variety of different health care programs, the cost of the premiums has actually dropped by about 50 percent.

What we are talking about is getting a 30-percent drop in the cost of premiums, so we know if we use this opportunity we would have the opportunity to control costs especially in the outyears and therefore give us a better chance at maintaining the solvency of the Medicare trust fund.

What was the response of President Clinton and his minions when we put this plan forward? The response—and we still hear it from Congressman GEPHARDT and his group—was, we are slashing Medicare. We are slashing Medicare. Well, we said, Mr. President, tell us what you are going to do then to get the system under control. He did not have an idea, did not have a proposal. He said, you are just slashing Medicare. Let me go scare some seniors and tell them that you are slashing Medicare.

It was the most demagogic position taken by a President in a long time because it was dealing with such an important issue and they did it in such a purely partisan and political way, so demagogic, in fact, that even the Washington Post, which is the spokesman for basically the liberal agenda in this country, if you are going to be honest about it, in its editorial policy, said that what the President was discussing was ''medagoguery,'' coined a phrase ''medagoguery,'' a very appropriate word to add to our lexicon.

And so now with the trustees' report coming forward and telling us that the situation has even gotten significantly worse, that the system now instead of going broke in the year 2002 is going to go broke in the year 2001, now we hear rumblings in the administration, murmuring from the administration, well, we have a program to save this, to push it out a few years.

Let us look at what the administration is proposing because what they are proposing is a terribly crass act of intergenerational transfer of burden. What they are proposing essentially is to take a major part of the cost of the present Medicare system which is borne by the hospital trust fund and to shift that cost on to all Americans who pay taxes.

The program that they are proposing is to take the home health care portion of the hospital trust fund, which represents about $55 billion, and transfer that out of the hospital trust fund, part A, into theoretically part B. But they do not put it in part B really. What they are doing is they are putting it on the backs of all the taxpayers in America. Today, of course, this item, $55 billion in home health care, is paid for out of the hospital trust fund.

What does that mean? It means it is paid for by the taxes which go into the trust fund which are to accumulate for the purposes of buying insurance for seniors when you meet the age eligibility requirements. And so these costs of home health care are supported by the taxes paid to the trust fund. But what they are proposing is to take it out of that trust fund, and they put it in the part B trust fund and they have it paid for by the general taxpayers.

In fact, they go so far in this exercise of political gamesmanship as to not only take it out of the hospital part A trust fund, but when they put it into the part B trust fund they do not even require that seniors pay what is the traditional percentage of the part B trust fund, which is 25 percent.

Let me explain that because that is fairly complicated. Basically, the part B trust fund, as many people know, pays for things other than hospitalization, other than acute care. Under our system today, a senior citizen pays 25 percent of the costs of their nonacute care, nonhospitalization costs, and the general taxpayers, John and Mary Smith who are working down at the local restaurant or at the gas station or on an assembly line, they pay 75 percent of the senior citizens' costs for their nonhospitalization. That is the part B trust fund.

Well, when they took the $55 billion out of the part A trust fund and put it into the part B, the administration at the same time said, no, seniors are not going to have to pay even the 25 percent. So the full $55 billion falls on Mary Smith and John Smith who are working at the local restaurant, the local gas station, or the local assembly line. And it is a clear transfer from one generation to the next generation of the costs of $55 billion.

Does it do anything at all to address the underlying problem of the Medicare system, which is that it is growing at an annual rate of 10 percent? No, nothing. Absolutely nothing. It does not address the primary problem of the Medicare trust fund one iota. All it does is create a political benefit for this administration of being able to say to seniors, well, by taking $55 billion out of your obligation and putting it on your children's back, we have been able to extend the life of the trust fund by a couple of years.

That is truly a crass and, I think, cynical approach to addressing what is a very core and significant problem. Because as I mentioned when I began the talk, the size of the Medicare problem in the part A trust fund is now estimated to be a $100 billion deficit in the year 2002. So through this little bit of gamesmanship, they may buy a year or two, but they do not do anything at all to address the underlying problem—nothing. All they did is create the ability to go into this election and say to seniors, listen, we corrected this problem.

Of course, there is not going to be any asterisks by that which says to the seniors' kids, to the children and their grandchildren, oh, I am sorry; we just raised your taxes $55 billion—because that is all this is. This is a tax increase on the children of our seniors and their grandchildren who are working of $55 billion.

Now, it is not unusual for this administration to resolve problems by raising taxes. They gave us the largest tax increase in the history of the country which was, under a 5-year budget, $265 billion or $285 billion, but actually now that we are funding under a 7-year budget it turns out it was a $550 billion tax. Now, on top of that tax increase of $550 billion, they want to hit working Americans with another $55 billion tax increase, while at the same time, and most amazingly with a straight face—and this is what I find rather ironic, they do this with a straight face—at the same time they say to our seniors, oh, we have taken care of the Medicare problem.

They have not done a thing about the Medicare problem. There is no effort at all in the administration proposal to address the factors which are driving a 10-percent annual rate of growth in the trust fund. In fact, if anything they have aggravated it because they have taken the $55 billion and put it on the back of the average taxpayer in this country, John and Mary Jones, working someplace on Main Street. That means that we created a whole new burden on them, which is an entitlement, which they will have to pay taxes on and then expand the program as a result of lack of accountability, which is the way programs expand around here. They get created as entitlements and put in the general fund and then there is no way to control them at all. That is essentially what they are doing here.

If you are going to address the Medicare issue, you have to look at the fundamental question, what is driving the rate of growth of inflation in Medicare costs? I have heard some pundits saying, ''It is demographics, it is people. It is all the new people coming in the system.''

That is not true at all, not during the timeframe we are talking about. Yes, it is true when the postwar baby boom people hit the system. When Bill Clinton's generation and mine hit the system it is. But between now and 2010 it is not a demographic issue, it is a generational issue. It is not a demographic issue. It is a function of the fact that the rate of inflation in health care costs in Medicare are dramatically exceeding the rate of inflation of health care costs in the private sector and in the costs of health care for people who are under the age of 60.

Last year, the rate of growth in the premium costs of people under the age of 60 was flat, essentially no inflation. The rate of growth of Medicare was 10 percent. You can see that is what is driving the problem with the Medicare trust fund. So, until you address that rate of growth of costs of the health care in Medicare you are not going to be able to make the system solvent.

So, when the Republicans came forward last year and put down a proposal which was aimed specifically at bringing market forces into play in the Medicare system, taking it out of the system which is a 1960's system designed for the health care delivery system of the 1950's, and moving it into the 1990's by bringing market forces into it—when we did that we put forward a proposal which was fundamentally sound and which was directed at the core problem, which was the fact that the rate of growth of health care costs was too great. Through the use of market forces we tried to control that.

What we have here essentially, in the Medicare system, is a 1959 Chevrolet driving down a 1990's highway. It has not been repaired. The hubcaps have fallen off, it is running on three pistons, the exhaust system is spewing out pollution, and it cannot keep up to speed. What we suggested, as Republicans, is that we should put a new car on the 1990 highway, something that can keep up with the times and something that would actually give the seniors a better choice of options for health care delivery.

What the White House suggested, what the administration suggested, was that we simply get more oil and more gas and pour it into the car, the 1959 Chevrolet, and we get that oil and gas from John and Mary Jones, who are working on Main Street. It was a cynical act, to say the least. Exceeded, of course, by their statements that our proposals were slashing and cutting Medicare. That was the most cynical act by this White House, but in the tradition of that, equally or competitively similar, to suggest we should make this type of a transfer.

If we are going to resolve the Medicare problem, we are going to have to have a White House which thinks about something other than reelection; that thinks about substantive policy, that thinks about how you govern, not how you get reelected to govern.

I have not seen any sense that that is the character of this White House, but there is still time. Republicans still have on the table a proposal which would substantively improve the Medicare system, and do it in a way that would lead to a real direction of solvency for the trust fund, rather than to a shell game of transferring burden from one generation to the next. I hope, if nothing else, the American public will see through the games that

the White House has been playing on this and would put some pressure on the administration to begin to act responsibly in this area.

Mr. President, I yield the floor and 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. DEWINE. 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. DEWINE. Mr. President, I ask unanimous consent to proceed as in morning business for 15 minutes.

The PRESIDING OFFICER. The Chair advises the Senator we are in morning business and is recognized for 10 minutes.

WORDS AND ACTIONS ON CRIME

Mr. DEWINE. Mr. President, one of the key measures of any government is how well it protects the people from the threat of violent crime. In the preamble to our Constitution, the charter of our Government, we are told the purpose of Government is to ''establish Justice, insure domestic Tranquility * * *''

Only by doing those things and doing them well do we hope to ''secure the Blessings of Liberty to ourselves and our Posterity * * *''

I would like to talk today about the record of the Clinton administration in regard to crime. In doing so, I will contend that mere words are not enough to fulfill that sacred trust between Government and the people. To fulfill its obligation, its obligation to protect people from crime, Government must act.

One of the President's closest advisers said recently, ''Words are actions.'' Words are actions. They really are, Mr. President. The record of this administration gives grave cause for doubt.

For 2 years, 1993 and 1994, President Clinton and his party controlled the White House and both Houses of Congress. One-party control means the party in charge generally gets to set the agenda. It is pretty clear that the fight against crime should be at the top of any sensible national agenda.

Violent crime remains at historic highs. Every year 43 million Americans become victims of crime, and 10 million become victims of violent crime. Juvenile crime is a problem now of historic proportions.

Frankly, Mr. President, there is no reason to believe that this is going to change unless we take some very drastic measures. Here is why. Violent crimes by young people age 18 to 24 have gone up 50 percent since 1986. These young predators are moving coldly, dangerously into a career that will wreak havoc on their communities for years to come. That is bad enough.

But it will get even worse, even scarier, because while crime among 18- to 24-year-olds has gone up 50 percent, crime by even younger offenders, those aged 14 to 17, has gone up 150 percent—150 percent—since 1986. So if we think violent crime is bad now, wait until these 14- to 17-year-olds get into their prime age for crime, the late teens and early twenties. The problem we will have to face is when today's violent teenagers grow up. They are going to be a major social force in this country. To me, that would indicate cause for serious concern about the kind of America we are going to have in the next couple of decades.

Mr. President, the picture is bad in regard to violent crime. But, unfortunately, it does not get any better when we look at the issue of drugs. Since the Reagan-Bush years, marijuana use has tripled—tripled—among those 14 years of age and 15 years of age. In 1992, 1.6 million young people were reported to have used marijuana—1.6. Today that number has risen to 2.9 million.

Mr. President, one good way to find out what our real social problems are is to visit a hospital emergency room. Today cocaine-related episodes have hit their highest level in history. People talk about the 1980's as the cocaine decade. But visit any emergency room and you will see that it is even worse today.

Heroin-related episodes are rising, too. They jumped 66 percent in 1993 and have stayed at that higher level.

In summary, Mr. President, I think any fair observer would characterize this as a very bleak picture. A fair observer would say that violent crime, especially youth violence, is a major challenge to America and very probably the single greatest challenge we face in this country.

Let us talk for a moment about how the U.S. Government has coped with this crisis. Let us examine what the new Clinton administration wanted to do after they took office, what it proposed to do in its first 2 years. Then let us examine what the Clinton administration actually accomplished in its first 2 years. Finally, I would like to examine what was accomplished after the first 2 years.

Let us start first with the new administration's proposals. So I begin with the first phase: The new Clinton administration and its agenda and what they wanted to do.

For 2 years, Mr. President, 1993 and 1994, we had an undivided Government, a Government under the control of a single party. A President with a free hand could create positive change and do what is necessary to protect the American people from the plague of violent crime. What use was made of this opportunity? What did the new administration propose to do about this major national crisis?

Here is the answer. Here, Mr. President, if you can believe it, is what the new administration proposed to do. This is what the President's budget proposed to do. The President wanted to cut 790 agents out of the FBI. The President wanted to cut 311 agents out of the DEA. The President wanted to cut 123 prosecutors, take them out of the Federal courts. The President wanted to construct zero—zero—new Federal prisons. Finally, the President wanted to cut prison personnel by 1,600. That was the proposed response of the Clinton administration to this major national crisis.

It is true, Mr. President, that much of this agenda did not actually become a reality. It did not happen because, fortunately, congressional approval was required. Again, fortunately, concerned Senators on both sides of the aisle said to the administration, ''No. No way. We're not going to do it.'' Thanks to Senators like ORRIN HATCH, JOE BIDEN, PETE DOMENICI, FRITZ HOLLINGS, much of that misguided agenda was not passed, was defeated.

Let me turn, Mr. President, to the actual Clinton administration record. There is, Mr. President, of course, a lot that the President of the United States can do without congressional approval. The President has a great deal of discretion. Let us look at what the new administration actually did without congressional approval. I think when we look at this we will find that on every front of the war on crime there was a monumental retreat.

First, no new FBI agents were trained. No class. No FBI class.

Second, the White House Office of Drug Policy was absolutely gutted, an 83 percent cut in staff.

Next, the prosecution of gun criminals went down 20 percent. The prosecution in Federal court of those who use a gun in the commission of a felony went down 20 percent.

Prosecution of drug criminals—drug criminals—went down 12.5 percent.

No new FBI agents trained, the White House drug office was gutted, gun prosecutions down 20 percent, drug prosecutions down 12.5 percent. That is what the President did by himself.

Here is what else actually happened under the President's leadership.

Federal spending on drug interdiction went down 14 percent. The Federal drug budget accounts that fund antismuggling efforts dropped by 55 percent. In fact, the Clinton administration made a conscious decision to ignore the fact that drugs were coming into this country. They thought it would be enough to focus on the drugs once they were already in the country.

But, Mr. President, we should make no mistake, spending less on interdiction does have consequences. It does make a difference. According to recent Federal law enforcement statistics, the disruption rate, the amount of drugs that are blocked from actually entering the country, dropped 53 percent between 1993 and early 1995. The projection is an additional 84 metric tons of marijuana and cocaine coming into the United States every year.

What was the result of this cut? What was the result of this change in policy by the administration, change in emphasis?

Since 1991, Coast Guard seizures of cocaine are down 45 percent. Coast Guard seizures of marijuana are down 90 percent. The Clinton administration, unfortunately, has ignored a fundamental fact: Spending money on the antidrug effort does make a difference. When we make the antidrug fight a national priority, drug use does drop. Between 1981 and 1992 Federal spending on the drug war effort rose 700 percent. Over roughly the same period, drug use was cut in half.

But, tragically, the opposite has happened under the Clinton administration. Drugs have gotten cheaper. They are more easily available and more pervasive in the lives of our young people. Between 1993 and 1995, the retail price of a gram of cocaine fell during that 2-year period from $172 to $137. Over roughly the same period, answering a survey, the number of 8th graders who think it is bad to even try crack once or twice dropped from 61 percent to 51 percent. And overall teenage drug use is up 55 percent.

On measure after measure in the years 1993 and 1994, America's anticrime and antidrug effort lost ground. That was the Clinton administration's record of accomplishment. They faced a tough problem and had to make tough choices. The sad litany I have recited is the best they could do.

Now, moving to the third item I want to talk about, in 1995 there was a major change in the landscape of Federal crime-fighting policy. The new Senate came under new leadership. Over the last 16 months under that new leadership, a dramatically different effort on the issue of crime has emerged. Since January 1995, the majority leader, Senator DOLE, took over the helm of America's anticrime strategy. Here is America's new strategy for fighting crime: FBI agents, up 20 percent; DEA agents, up 15 percent; $800 million in new funding for Federal prosecutors; $3 billion in new funding for prisons; $1 billion in grants to States and local communities so they can fight crime at the grassroots level from neighborhood to neighborhood to neighborhood.

Mr. President, that is a truly remarkable change. I do not believe it is just a coincidence. A pattern of differences as striking as this can lead to only one tenable conclusion. Only one major factor intervened between the dismal record of 1993 and 1994 and the truly remarkable resurgence in the Federal crime-fighting effort that has occurred over the last 16 months.

That one factor, Mr. President, is the new management in the Senate and the House. I suggest Senator Bob DOLE be given the credit he deserves for changing the culture of Washington in this very important way.

Mr. President, politics has been defined as the art of the possible. The best definition of leadership I ever heard is this: ''Leadership is the art of changing the limits of what's possible.''

Over the last 16 months, Mr. President, we have seen this happen in the fight against crime. I think it is time that Senator DOLE got the recognition he deserves for a very, very impressive accomplishment. Further, Mr. President, I believe people should be paying more attention to actions and accomplishments than simply to election year conversions and all the rhetoric that they spawn.

The former chairman of the House Committee on Narcotics, a Democrat, once said he had ''Never seen a President care less about drugs,'' referring to the President of the United States. The lackluster war on drugs is just one symptom of an overall abdication on the issue of crime itself.

Mr. President, as we prepare to say goodbye to Majority Leader DOLE, let me say I speak for many when I observe that we will miss his excellent leadership on this very vital and important issue. We owe him our thanks not for his words but, rather, for his actions.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

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

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

BALANCED BUDGET AMENDMENT VOTES

Mr. FORD. Mr. President, we probably all have been guilty at one time or another of getting a little carried away on the Senate floor when we are trying to present our position on an issue. I think we saw a little bit of that yesterday by those of us who want to protect Social Security, and I would like to take a minute to respond to some of those, I think, inflammatory remarks.

I think the junior Senator from Oklahoma was right on the edge when he was talking about the 33 Senators that had previously voted in opposition to a balanced budget which included the use of Social Security. It has been said that to treat your facts with imagination is one thing, but to imagine your facts is another. We saw just how big some people's imaginations were yesterday.

I was 1 of those 33. The junior Senator from Oklahoma accused me of coming to Washington and voting one way and going back to my State and talking another. I am sure he does not know how I talk in Kentucky. I am sure he does not follow me around. I am sure he does not take the paper clips from my newspapers to see how I am quoted in my local paper.

Mr. President, I thought we were beyond the pony express era. I thought that we were on C–SPAN and 60 million people could immediately see how you vote and what you say and they would know that before you get home. I have represented my State, now, for almost 22 years here in the Senate. I have been fortunate to have been reelected by a large percentage. I think when I vote and I explain my vote to my people some may not like it but they understand the reason for it.

Mr. President, I voted for a balanced budget amendment until this time. Then we were labeled, yesterday, as BBA 6. So I am one of the BBA 6's now. I do not know exactly what that means, except when the leadership on the Republican side sat down in the Democratic Cloakroom, and with a fountain pen wrote how much money they would be taking from Social Security each of the next 7 years, how much they would be taking from Social Security to balance the budget, that is when I reneged. That is when I said if you want my vote, put a firewall in as it relates to Social Security. Now I have that piece of paper, Mr. President. It is in my file and I will keep it. It is the handwriting of some of the leadership on the Republican side, how many billions of dollars, and as I recall the last 2 years, roughly $147 billion they were going to take out of Social Security trust fund.

Now, when the junior Senator from Oklahoma says those of us who voted ''no'' last time, the 33, did not want a balanced budget, I just disagree with that. How can he say I do not want a balanced budget amendment? All I say is build a firewall for Social Security. You could have 70-odd votes if you do that. It would be easy to pass. But, no, the Republicans want an issue. They want an issue. They do not want it passed. They lost a vote today for one reason and one reason only. You are talking about star wars, and you have one of the greatest minds as it relates to defense in this country in the Senate in SAM NUNN, the Senator from Georgia, who was vehemently opposed. He said you are mandating that we put it in to spend $60 billion and you do not know whether it will work. Let us research it for another 3 years. You are not going to get it up any faster. Then in 3 years you will know it will work, and then let us do it. No, we were forced into the vote on the basis that we shall do it whether we know if it will work or not, and at a cost of $60 billion, and that is right behind that attempted $700 billion tax break—in one day. And the next day, they holler, ''The sky is falling.'' So you have turned at least one Senator off as it relates to the political tactics being used on the Senate floor.

Now, we have 10 fictitious reasons for voting against the balanced budget amendment. There is only one reason, in my mind. We have heard a lot about a contract. We have heard a lot about a contract now for almost 2 years. Well, we had a contract with the farmers called the Freedom to Farm Act. Signed it, passed it. A contract. Within

7 weeks, you are breaking that contract. The House Agriculture Appropriations Committee was eliminating almost $100 million out of the payments to the farmers that they thought they had signed up for next year. You are reducing WIC by having it frozen. You are reducing nutrition programs by $300 million on the House side. Contracts are being broken. I thought both sides had agreed to a contract. Both sides were committed to it. Therefore, we find that we are already breaking contracts.

When you are going to use Social Security funding, then I think we are breaking a contract with those who are expecting that. Sure, we are having a bump in the road on Medicare. We all understand that. The President has submitted two budgets reducing part A. Now, everybody talks about Medicare and paints it with a broad brush. It is part A that is short, not part B. Part A is the hospital and part B is the doctor, if you want to put it into categories. So part A is the part having problems. Part B still has a surplus. Part B will have a surplus from now on, the way things are going.

So we have one part of Medicare to be fixed. Even now, there is a $100 billion surplus in part A, as I understand it. If you continue to use it, over a period of time, that will be reduced to zero. You need to keep it at a level where it will not be reduced and where the level will stay the same over the next 7 years.

Mr. President, if Social Security were protected, we could pass the balanced budget amendment and get on with actually passing our spending bills. We hear a lot about how bad things have been. I have been here 22 years now. I did not see any vetoes, under the Republican administration, as it related to tax increases and spending increases. I did not see those vetoes. We did not have enough votes to override them, if the Republicans would have stayed together. But, no, we went from a $900 billion deficit to $5 trillion in 12 years under Republican leadership. During that time, Republicans had 6 years of control here in the Senate Chamber. Could you have supported a veto? Absolutely, you could have sustained a veto.

Now, Mr. President, I do not mind debating the issues, but I certainly hate to be singled out and it becomes a personal issue. As I say, the junior Senator from Oklahoma came very close to the edge of being challenged under the rules of the Senate yesterday. So I just hope that, as we debate the issues, we eliminate the personalities and the personal attacks. It is nice to have a picture of your grandson here on the Senate floor. I have five grandchildren. I enjoy grandchildren. But do you know something? It is hard for me to believe, as a grandfather, that if I watched my daughter give birth to a son, my grandson—as I read the RECORD and listened to him yesterday, in his first breath, it was handed to him and the first thing he thought about is that this poor child owes $18,000 in back taxes, or he has that debt on him. I would have thanked the Lord for my daughter coming through the delivery healthy. I would thank the Lord for being given a healthy baby before worrying about how much tax load or debt load that newborn baby had. Nevertheless, I am sure the taxpayers had something to do with paying for the picture of that grandson that was here on the Senate floor.

So here we are getting personal again, and I do not like it. The only way I know how to say to my colleagues that think the debate is about who supports a balanced budget—this is a debate about who wants to save Medicare. This is a debate about who wants to raid Medicare, who wants to cut the deficit, and that sort of thing. Those issues are fine. But when I am accused of voting one way here and going home and saying another thing—the day of the Pony Express is over. It is instantaneous what I say and do here, and it is getting to my constituents.

So while people are predicting doom and gloom again today, the BB–6 can point to a record of deficit reduction and a commitment to balance the budget, while protecting the pact we made with citizens to protect Social Security. So we passed a bill in 1990, under a Republican President, signed by him, not to include the Social Security trust fund.

I yield the floor.

Mr. KENNEDY. Mr. President, are we proceeding as in morning business?

The PRESIDING OFFICER. That is correct, for a period of up to 10 minutes.

THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, earlier this afternoon, there were some comments made about where we are on the Kassebaum-Kennedy health reform bill. I wanted to just take a few moments of the Senate's time to review a little bit of the bidding on where we have been, where we are, and what the hope is in terms of the future.

Mr. President, as we know, this legislation was developed by Senator KASSEBAUM, myself, and other members of our Labor and Human Resources Committee in the wake of the 1994 debate on comprehensive health care. It was really reflective of the expressions that were made by Republicans and Democrats alike, both the now majority leader, Senator DOLE, and others on the Democratic side, who said, ''Let us try to find common ground together, areas where we agree. Let us try, if we cannot do a comprehensive program, to at least shape a proposal that can make a difference to millions of Americans—particularly those with preexisting conditions—recognizing the importance of portability, moving from one job to another, being able to carry the insurance if, for some reason, an individual loses their job, or the company closes down.''

Over the period of really the last months, and even over recent years, that proposal has been working its way through the Labor and Human Resources Committee. It had virtually unanimous support of Republicans and Democrats alike, and it has worked its way through the Senate with 100 votes. Unanimity, Mr. President, 100 votes—a unanimous vote here in the Senate and in our committee. I find that to be an extraordinarily rare occasion, when you take something that can provide such a meaningful difference and provide relief for families and for working families, a measure that can make a very important difference, particularly to those with preexisting conditions.

The efforts of Senator KASSEBAUM and myself have been to try to keep the legislation clean—that is, to try to resist various amendments, in spite of the fact that we might have agreed with some of those provisions at other times. That was certainly true in my case with regard to the excellent proposals that were added to the measure by Senator DOMENICI and Senator WELLSTONE on mental health. I feel very strongly that it is about time that we treat mental health in the way that we consider other serious illnesses, and not make the consideration of mental health a stepchild in our health care policy areas.

Nonetheless, we had worked out a process where we were going to try to move ahead with the areas that we could agree on, so that we can move through this legislative process with that in mind. We accepted some matters that were overwhelmingly supported by Members of the Senate where there was no serious objection.

We accepted the mental health provisions. But it has always been the position of the Senator from Kansas and myself that we were going to be committed to a proposal that would provide just the measures which initially came out of the committee unless we were going to be able to convince our Members in the conference that we needed to make at least some progress in the areas of mental health.

Senator DOMENICI, Senator WELLSTONE, I must say Tipper Gore, who has been enormously interested in the areas of mental health, have all weighed in in terms of making the case once again of the importance of extending some protections to the area of mental health. That is an issue which I know is still under consideration by at least those that are meeting. I can point out for the Members of the Senate, that those meetings have not included the Members of this side of the aisle, but we have tried to work in a constructive way in at least getting some of these ideas forward for the consideration of those who are in the room.

I want to just mention parenthetically that there were some comments

made earlier today on the issue of appointing conferees. It has always been our position that we should have conferees that reflect at least the will of the Senate, but the various proposals that have been made here in terms of the conferees were not even close to the ratio of Republican to Democrat. We were not going to agree to a stacked deck and a position that would not reflect the will of the Senate.

It always interests me how worked up some of our Members can become when they are talking with this righteous sense of indignation about the fact that there is some objection to the appointment of the conferees, particularly in the way and the numbers in which they were suggested. There has never been any reluctance to naming conferees that were going to be reflective and represent the committees that had the prime jurisdiction. That is the way it has been done here. The particular proportion that was suggested was completely out of order, which is why we are in that stalemate.

Most importantly, we are prepared to see the measure that passed 100 to nothing here on the floor of the U.S. Senate, or the measure that passed unanimously out of our committee, to pass out of the conference, to pass the House of Representatives, to pass the Senate and be signed by the President of the United States in the matter of the next day or two. That is what we are able to do as legislators. That would make a difference to the 25 million Americans each year who would be helped by this bill—who would find that they are able to be assured of continuing attention to their particular health needs as long as they were going to pay their participation in premiums.

We have the opportunity to move on that legislation. It is still out there. We are caught in a situation evidently that unless we are prepared to accept other measures which have been controversial and divisive and recognized as such, or where at least very important questions have been raised about those matters, that we cannot make progress unless we are prepared to bend on those matters. It is still my hope that even at this very sensitive time in the discussions where leaders in the House and leaders in the Senate are attempting to try to make at least one additional effort to try to find the common ground, that we can still resolve this and be able to respond to the millions of our fellow citizens that have these preexisting conditions and want to be able to carry their health care measures with them.

But I want to take just a few moments of the Senate's time this afternoon—I see other colleagues. Could I ask for 5 more minutes?

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

Mr. KENNEDY. Mr. President, I appreciate it.

Mr. President, I still hope that we will be able to achieve this measure.

I have gone into, in some detail, the principal concerns of the issues on medical savings account. But there are a few items that have been mentioned with regard to medical savings accounts that were not mentioned here in the course of this afternoon.

Let us understand that if insurance companies want to sell medical savings accounts, they can do that today. They do not need to have additional legislation. For those that say let us have the free choice, individuals can be out and purchase those measures at the present time. A number of States have begun to set up their own medical savings accounts. So the idea that we are denying some kind of free choice is virtually inaccurate and a distortion and a gross misrepresentation about where the medical savings account issue is.

Individual companies—and there are the companies, for example, like the Golden Rule Insurance Co., that are out selling medical savings accounts today. Of course, it is true that Golden Rule Insurance Co. has been drummed out of the State of Vermont because of the way that they have exploited consumers. And it is true that Golden Rule Insurance Co., the principal company that would benefit from medical savings insurance companies, refuses to share market information with even the American Academy of Actuaries so that we could get a real reflection as to what has been the experience of that company. When asked by the American Academy to share their data, Golden Rule said, absolutely no, we will not do that, even though they have experienced extraordinary profits in this area.

Nonetheless, Mr. President, one of the factors that was not raised this afternoon was the fact that we are talking about the cost to the American taxpayers by those that are proposing medical savings accounts. The Joint Tax Committee has estimated that if there were just to be 1 million Americans out of the pool of about 130 million Americans who purchase health insurance, if we have to have 1 million of those, the cost to the taxpayers and to the deficit would be $3 billion for 1 million people. That is not what I am saying. That is what the Joint Tax Committee is saying.

We are talking about when you are going from 1 million to 10 million to 20 million, or as the Rand Corp. considered, 70 million, you do not need much of a slide rule to understand what this is going to do to the Federal deficit, let alone health care policy.

So it is so interesting to me to hear out there many of our Members saying, ''All we want is freedom. All we want is freedom.'' Sure it is all they want is freedom to put their hands into the till of the Federal Government and take out billions of dollars to subsidize what will be primarily a benefit for the richest individuals in this country; the richest individuals in this country. And we pointed that out over the course of the debate and the discussion. I heard one of my colleagues talk about the fact that there were some Democrats that wanted this at another time. At another time, we were talking in the context of a comprehensive health care reform where we were going to have effective cost controls, an entirely different situation than we have today.

So those who are out on the floor with their big charts saying what is wrong with these words that were stated a few years ago, I daresay that is when we were talking about a comprehensive program with effective kinds of cost containment, which is not what we are dealing with today. Anyone should understand it. I question whether it would have been really justified even at that time. But, nonetheless, there were those that believed it ought to be given a try, and that was an issue within that context that I think was legitimate. But that is not what we are talking about.

Make no mistake about it. We are talking about underwriting the health care insurance for the wealthiest individuals at the expense of the average taxpayer. The Joint Tax Committee has pointed out, well, if you spend $3 billion, how much of that would go to average working families? How much would they benefit from that? One percent of that $3 billion would benefit average working families. Who gets the rest of the 99 percent? The ones that get the rest of the 99 percent are going to be in the highest income brackets. That is just one issue that ought to be debated and discussed.

There is a body of opinion in the Senate and in the House of Representatives that support this concept. Certainly we ought to have an opportunity to review it. We ought to examine it. We ought to have at least an opportunity to see whether the greatest fears about what it would mean in terms of cost and what it would mean in terms of skewing the whole insurance system and what it would mean in terms of preventive care are true—we ought to at least have an opportunity to test that.

The President of the United States has indicated that he would sign a bill, if there was a proposal that would really test this idea, in an area that provided a real test about medical theory and about the costs of this program over a reasonable period of time, which seems to me to be a reasonable position. Why we have to deal with this at this time is beyond me. But nonetheless, it is a matter which is at least before the House of Representatives.

Mr. President, I will include in my full comments the various opinions that have been made about the American actuaries, what they believe will be the impact in terms of the cost of health insurance, the analysis which has been made about who would use this, who would benefit and who would suffer under this program, what the impact would be on children who are so often the ones who are left out and left

behind, and the fact that medical savings accounts will effectively discourage all preventive care in terms of needy children in our society and what the Congressional Research Service said was going to be the health implications. These are important matters. I believe that the Senate, before it is going to jump into this program, ought to have very complete answers to it.

So I hope if we are going to have an opportunity—and certainly we should at some time—to get to the issue of medical savings account, the American people ought to understand that we have the opportunity in the House of Representatives and the Senate of the United States to do something meaningful for millions and millions and millions of American families today. We have a proposal that will make a difference to those families—more than 25 million of those families. It passed unanimously in the House and the Senate of the United States, with broad bipartisan support. Our urging is that we take that very important, modest but very, very important proposal and that we move it down to the President's desk and we get on with it. If there are other measures that ought to be debated, let us debate them but not on this bill.

Mr. President, if we follow that recommendation of the Senator from Kansas [Mrs. KASSEBAUM] and those of us who are members of the committee, we can do something truly worthy to be remembered in the area of health care reform.

Mr. President, medical savings accounts do not belong in the Kassebaum-Kennedy health insurance reform bill. They have already been rejected by the Senate. A bill containing them cannot be enacted into law and signed by the President. They are an untried idea with the potential to destroy the access to affordable, comprehensive coverage that tens of millions of Americans now enjoy.

Millions of Americans need insurance reform, so that they can be secure in the knowledge that their health care, coverage cannot be taken away because they become sick, because they change jobs, or because they lose their job. Their hopes should not be held hostage to this extremist, special interest proposal. But because the Republican leadership in the House and Senate is pursuing a rule or ruin approach to this legislation, their hopes may be dashed once again.

Medical savings accounts sound good in theory. Why not encourage businesses and individuals to buy less costly high-deductible health insurance policies and put the premium savings into a tax-free account that can be used to pay some routine medical costs? But in this case, what sounds like good medicine in theory is quack medicine in practice.

Medical savings accounts are an idea whose time should never come. Under conservative estimates by the Joint Tax Committee they are a $3 billion tax break for the wealthy and healthy. As the Center on Budget and Policy Priorities said, ''MSAs create new tax shelter opportunities. Use of an MSA would be highly advantageous to substantial numbers of higher income taxpayers. Low and moderate-income taxpayers would receive little or no tax benefits from using MSAs because they either do not pay income taxes or pay taxes at much lower rates.'' The American Academy of Actuaries concluded that medical savings accounts are ''Taxing money from the unhealthy and giving it to the healthy.'' The Joint Tax Committee estimated that only 1 percent of the tax benefits would go to people with incomes of less than $30,000.

If more people enroll in these accounts than Joint Tax has estimated, as many analysts believe will happen, the cost could rise to the tens of billions. How ironic that those who are loudest in their clamor to reduce the deficit are willing to waste these vast sums on this destructive special interest boondoggle. If we have billions to spare, they should be spent on reducing the cost of coverage for hard-working American families or on deficit reduction—not on a perverse income transfer from the poor and sick to the healthy and rich.

Medical savings accounts raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise, more and more working families will be forced to drop coverage. In the words of the Congressional Budget Office, medical savings accounts ''could threaten the existence of standard health insurance.'' Mary Nell Lenhardt, Senior Vice-President of Blue Cross and Blue Shield concluded, that MSAs destroy ''the whole principle of insurance.'' A new report by the Urban Institute concludes that, even under conservative assumption, premiums for comprehensive coverage could rise by 40 percent. If a higher proportion of people shift to MSAs, the cost of comprehensive coverage could rise by more than 300 percent.

Moderate income people who choose medical savings accounts could be exposed to financial disaster if someone in the family becomes seriously ill. As the American Academy of Actuaries said, ''individuals and families who experience significant medical expenses soon after the establishment of MSA programs will face high out-of-pocket costs. These high out-of-pocket costs will not be randomly distributed. They will be concentrated among older workers and their families and among those with disabilities and chronic illness.'' The last thing that the American people need—especially those who need health care the most—is another massive increase in the cost of medical care.

Because they encourage high deductible plans, medical savings accounts discourage preventive care. According to the Congressional Research Service, high deductible plans that come with MSAs have meant that poor children are 40 percent less likely to get the care they need as compared to fully-insured children. This is the wrong direction for health policy.

Medical savings accounts are a giveaway to the insurance companies who have the worst record of profiting from the abuses of the current system. But the American people should not have to pay such a high price to reward them—even in return for $1.5 million in campaign contributions over the last 5 years. It is no accident that a company like Golden Rule Insurance favors medical savings accounts. This is a company that is ranked near the bottom by consumer reports because of its inadequate coverage, frequent rate increases, and readiness to cancel policies. When Golden Rule withdrew from Vermont because they were unwilling to compete on the level playing field created by insurance reform, Blue Cross and Blue Shield took over their policies. They found that one in four policies included an exemption. Whole body parts, like arms, backs, breasts, and even skin were written out of coverage. Newborns were excluded unless they were born healthy.

The Republican medical savings account plan includes absolutely no guarantees that companies profiting from selling these policies will be prevented from abuses like this in the individual market. Moreover, although MSA's are billed as providing catastrophic protection, there is no requirement that they have reasonable life-time limits or not impose excessive co-payments when the deductible level is reached.

It is shocking that the very company that has provided the financial engine behind this right-wing proposal has refused to share any data about its plans with the American Academy of Actuaries or other impartial analysts. Golden Rule knows that medical savings accounts can't stand the light of day—and that's why they are tying to ram them through on a bill that the American people want.

Some Republicans are anxious to include MSA's in the insurance reform bill because MSA's are part of their long-run plan to dismantle Medicare and turn it over to private insurance companies. This is a foot in the door for that item on the right-wing agenda—and this, too, has no place in an insurance reform program.

No respectable health policy analyst supports medical savings accounts. Newspapers from the Washington Post to the New York Times to the Los Angeles Times to the Boston Globe have condemned them. The President has said that they could doom the bill's prospects for becoming law. They don't belong in this bill—and I urge my colleagues to reject them.

Finally, Mr. President, I would like to say a word about the charge that I

am blocking the appointment of conferees. The fact is that the list of proposed conferees the Republican leadership has offered is unprecedented in its unfairness. In the last three Congresses, there has been no conference that has been so stacked. The only reason for this unacceptable proposal is to try to ram medical savings accounts—a proposal the Senate has already rejected and which will kill the bill—into insurance reform.

Republicans leaders know that Americans want the reforms promised in this bill and have little interest in medical savings accounts. That is why Representative KASICH said, on March 24, ''We will not let medical savings accounts destroy the ability to give people portability and eliminate pre-existing conditions.'' On March 29, Speaker GINGRICH said he would not let medical savings accounts stand in the way of a Presidential signature. But the American people should know that there is a vast gap between the words and the reality. In spite of repeated offers from the Democrats to sit down and discuss the issues in the bill, in spite of three separate Democratic proposals for a sensible compromise on medical savings accounts, Republican leaders have been unwilling to negotiate and unwilling to back off their insistence on this poison pill.

Whether the issue is tax fairness, preservation of comprehensive health insurance for the vast majority of Americans, or the special interests versus the general interests, medical savings accounts are bad medicine for our health care system. They are a poison pill that would kill health insurance reform. The Senate has already spoken. It is time to send a clean bill to President Clinton without further delay. The American people are waiting.

PROBLEMS WITH MEDICAL SAVINGS ACCOUNTS

1. LAVISH TAX BREAKS FOR THE RICH

The $1.7 billion revenue loss will go almost exclusively to the highest income and healthiest Americans.

Joint Tax Committee Analysis concludes that less than 1% of those who will purchase MSAs under this amendment will make less than $30,000 a year. Virtually no one will purchase these plans who makes less than $20,000 a year.

The well-to-do will be able to use MSA as a second IRA, except that this IRA will have no income limits and will accrue disproportionately to the extremely wealthy. People choosing this option with large assets can use their own money to pay their medical bills and protect their tax deferred MSA savings.

Health care analysts are virtually unanimous in their opposition to MSAs.

The American Academy of Actuaries says that MSAs are, ''Taking money from the unhealthy and giving it to the healthy.''

The Center on Budget and Policy Priorities says, ''MSAs create new tax shelter opportunities. Use of an MSA would be highly advantageous to substantial members of high income taxpayers.''

2. HAND-OUT TO GOLDEN RULE INSURANCE COMPANY

To select MSAs, an individual is required to select a catastrophic insurance plan, and Golden Rule is one of the largest marketers of catastrophic plans in the country. MSAs would simply allow Golden Rule to greatly enlarge their market.

The company has given $1.6 million in political contributions to Republicans over the last 5 years.

They are near the bottom of insurance company rankings done by consumer groups, such as Consumers' Union, because they provide inadequate coverage, frequent rating increases, very aggressive underwriting, and readiness to contest claims and cancel policies.

3. UNRAVELS HEALTH INSURANCE AND INCREASES PREMIUMS FOR WORKING AMERICANS

Because healthy and wealthy individuals are most likely to purchase MSAs, those who remain behind in the traditional insurance plans will likely face higher premiums because the insurance pool has been weakened.

The premium increases could be high enough to force lower income working people to drop their coverage.

Insurance pool for ordinary Americans without MSAs will suffer both from healthy people pulling out to obtain MSAs and also from individuals with MSAs who become sick going back into the traditional insurance pools.

4. PART OF THE REPUBLICAN PLAN TO ''WITHER AWAY'' MEDICARE

This Golden Rule plan is the tool that Republicans want to use to have Medicare ''wither on the vine.'' It is advocated by Speaker GINGRICH—who coined this phrase and by Leader DOLE, who proudly talks about his vote against the original enactment of the Medicare program.

Clearly, Medicare MSAs have an even greater potential to undermine the financial stability of the Medicare program to both beneficiaries and the taxpayers who support it by exposing the program to an option that rewards cherry-picking healthy beneficiaries—not competition over cost and quality. Medicare MSAs were included in the Republican reconciliation bill vetoed by President Clinton in December, 1995.

Today's amendment is just the first step back toward the Republicans and Golden Rule's ultimate goal of putting in MSAs into the Medicare program. They were rejected doing Medicare MSAs when the President vetoed their excessive Medicare cuts; now—through today's amendment—they are setting the stage for pushing Medicare MSAs as the next logical step.

5. DISCOURAGES PREVENTIVE CARE

MSAs may discourage cost-saving preventive care, such as annual check-ups, immunizations and other wellness efforts. The high deductible coverage associated with MSAs may lead to delayed care and under-utilization of routine and preventive health care services.

MSAs divert participation from managed care. Capitated plans and other managed care arrangements hold the promise of coordinated, quality-tested care and cost efficiency not provided through MSAs.

MSAs will not promote cost containment in the long-run. By allowing people to have MSAs when they are healthy but switch to more traditional coverage when they become ill, the MSAs simply become a vehicle for sheltering income, not a means of promoting more cost-conscious consumers.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, yesterday the trustees of the Medicare and Social Security trust funds released their long-awaited annual report, and that report confirms our worst fears that the Medicare Hospital Insurance trust fund—which pays for the hospital bills of our Nation's elderly—will be bankrupt in nearly 4 years, in the year 2001. This is a year earlier than the trustees predicted in their last report.

The report, which by law, Mr. President, was due April 1 but only received yesterday, 10 weeks late, indicates that the Medicare trust fund ran a deficit of $2.6 billion in 1995 and that the deficit will nearly quadruple to $9.2 billion this year. By the year 2001, the fund will have a deficit of $56 billion, and, having exhausted all accrued interest, it will be bankrupt.

That is what we are looking at. The Trustees report provides a striking reminder that this crisis which the Medicare system faces did not disappear with the President's veto of the Balanced Budget Act of 1995—the one honest attempt to make structural reforms to the Medicare Program. To the contrary, this report shows us that Medicare is going broke at even a faster rate than previously predicted.

What are we doing about it? Last year, Congress passed a 7-year balanced budget plan—the first in a generation—that included Medicare reforms that would have extended the life of the hospital insurance trust fund for a decade and also addressed long-term structural reforms to help preserve the program for the critical time when the baby boomers begin to retire. This proposal was vetoed by the President.

The plan passed by Congress allowed Medicare to grow at a rate of over 6 percent a year—not cut, Mr. President, but grow at a rate of over 6 percent a year—with the spending per beneficiary growing from $5,300 to $7,000 by the year 2002.

It has been characterized by some on the other side that these are draconian cuts. Is a 6-percent increase a draconian cut? Is an increase in payments for beneficiaries from $5,300 to $7,000 by the year 2002 a cut? It certainly is not, Mr. President.

The Medicare reforms passed by Congress last year made changes to the system that reflect the way health is practiced in the 1990's, offering for the first time real health care choice to seniors. What is wrong with choice? We proposed insurance options that would allow doctors and hospitals to integrate and provide affordable coordinated care to seniors. We proposed medical savings accounts as an option—an option, not a mandate—for Medicare beneficiaries giving individuals the ability to manage their own health care dollars, choose any doctor they want, and shop around for the best quality care at the best price.

Congress acted. The President chose to abdicate. We responded to the urgency to save the program. The President chose to veto our proposals, thus ensuring that the crisis in Medicare is simply going to continue. Understanding the political risks involved in engaging in a debate over Medicare, I

think we acted responsibly. I think we negotiated in good faith. I would hate to think that this was all just an exercise in futility.

Yet, we have seen more of the same from this administration this year. The President's budget includes Medicare gimmicks, not Medicare reforms. As we all know, the Medicare problem is not just a crisis of the much talked about pending insolvency of the Medicare Hospital Insurance—HI—trust fund, it is a fiscal crisis affecting all areas of the Medicare program, with Federal spending increasing by 12 percent in 1995 and projected to grow 8.6 and 10 percent from now until the year 2005.

The administration attempts to be deceptive by proposing to move spending obligations for home health care from part A, where outlays are limited by incoming receipts from the Medicaid HI tax, to part B, where 72 percent of the funds come from general revenues and where, theoretically, there are no limits on growth in spending or solvency problems. I think it is deceiving to make this accounting move and mask it as reforms that ''save'' the Medicare Program.

This gimmick does add life to the part A trust fund ensuring solvency to the year 2005 as opposed to 2001, but it is simply that, Mr. President. It is a gimmick. It does nothing to address the true problem of the Medicare system which is basically the absence of market influences and a lack of alternatives to the current one-size-fits-all program. Seniors need and deserve the same choices in health care plans available to the rest of us. Why should they not have it?

Mr. President, we are going to attempt again to put forth real Medicare reforms this year. It is my hope the President will stop proposing gimmicks, stop scaring the seniors, and start dealing honestly with true Medicare reforms that everybody can understand. At the end of the day, we are not all that far apart. I believe we share the same goals of saving the Medicare Program for future generations. So let us get on with it in real, honest reforms.

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

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

THE MEDICARE TRUSTEE'S REPORT AND THE REPUBLICAN BUDGET

Mr. KENNEDY. Mr. President, today is D-day, the anniversary of the Normandy invasion, a climactic moment in the long struggle to liberate Europe in World War II. How ironic it is that on this anniversary, Republicans are reviving their failed campaign to deny Medicare benefits to the same senior citizens who fought so bravely for our country in that war.

One of the most unsavory tactics in the Republican attack on Medicare last year was their disinformation campaign to use the 1995 Medicare trustee's report to justify their cuts. Their scare tactics were unsuccessful. Their crocodile tears for Medicare were unconvincing.

The $89 billion—the amount which the Trustees said was needed to restore solvency—could not possibly justify the $270 billion in Medicare cuts or the higher premiums and higher deductibles proposed by the Republicans. Far from preserving and protecting, and strengthening Medicare, the Republican plan was designed to damage and destroy it by forcing senior citizens to give up their family doctors and join HMO's and other private insurance plans. President Clinton saved Medicare by vetoing the Republican plan—and he was right to do so.

This year, the Republicans are returning to the scene of their crime. They are trotting out the same old sales campaign that didn't sell in 1996. They are trying to use this year's trustee's report to peddle a retread of the irresponsible proposals the American people resoundingly rejected last year.

There is nothing really new in this year's report. There has been a modest change in projections of outlay and income—projections that always fluctuate from year to year. Under this year's projections, Medicare solvency extends to 2001 rather than 2002. That leaves us 5 years to make necessary corrections instead of 6 years—corrections that the President has already proposed and that could be adopted tomorrow if the Republicans were not determined to use Medicare as a piggy bank for new tax breaks for the wealthy.

They are not prepared to say: All right, these are the adjustments in the Medicare system that are necessary to carry the Medicare solvency for the next 10 years. We are not going to do that. We are not going to agree to it because we want to be able to squeeze Medicare even more, to justify our tax breaks which have been estimated by Mr. KASICH in the House at over $178 billion. Let us just understand that, I say to our senior citizens.

Mr. President, the $178 billion they want for tax breaks for wealthy individuals and corporations, where are they getting it? By squeezing the Medicare system. It is wrong. And the seniors understood that it was wrong last year and it is wrong this year as well.

Just as there is nothing really new in this year's trustee's report, there is nothing really new in this year's Republican retread. As they did last year, Republicans try to justify their deep Medicare cuts by claiming they are needed to preserve Medicare against the insolvency of the hospital insurance trust fund.

The hypocrisy of this claim is so transparent that no senior citizen should take it seriously. Last year, a few weeks before they proposed their massive Medicare cuts, House Republicans passed a tax bill that took almost $90 billion in revenues out of the Medicare hospital insurance trust fund over the next 10 years—and brought it that much closer to insolvency.

Understand, Republicans took $90 billion out of that last year for the purposes of their tax breaks. We did not hear a word then about the impending bankruptcy in Medicare. The President's economic recovery plan in 1993 extended the solvency of the trust fund for 3 years. It passed without a single Republican vote.

When we had the opportunity to provide for additional kinds of solvency, we were unable to get a single Republican vote. We did not hear a word from the Republicans then about the impending bankruptcy of Medicare.

Like last year, the Republican plan proposes deep cuts in Medicare to fund new, undeserved tax breaks for the wealthy. Like last year, the Republican plan is designed to cause Medicare to ''wither on the vine'' in the words of Speaker GINGRICH—by forcing senior citizens to give up their family doctor and join private insurance plans. Majority Leader DOLE has said that enacting Medicare was a mistake from the beginning—and he is trying to use this budget to correct that mistake.

Last year, Republicans tried to justify their excessive Medicare cuts with a large array of misguided arguments. This year they are repeating the same arguments, as if repetition can somehow substitute for reality. The American people were not fooled last year—and they certainly will not be fooled this year.

When Republicans took up the issue last year, they proposed to cut Medicare by $270 billion—three times more than the amount the Medicare trustees said was needed to stabilize the trust fund. This year, Republicans are proposing to cut $167 billion from Medicare. By contrast, the President's plan cuts Medicare by $116 billion—44 percent less, but it guarantees Medicare solvency for 10 years. And it funds Medicare at the level necessary to assure that quality care will be available for senior citizens when they need it.

Even worse, Republicans support an inflexible ceiling on Medicare spending. Consequently, if inflation is higher or medical needs are greater than anticipated, Medicare spending will not go up, and many senior citizens will be out of luck and out of care.

An estimated 20 percent of all Medicare hospitalization can be avoided by relying on better preventive services and more timely primary and outpatient care.

So, if we have interventions earlier, if we have better home care, if we have the investment in our seniors to avoid the more costly expenses when they

must come into the hospital, that can save billions and billions of dollars. We ought to be thinking about that, without reducing the services for our elderly and actually improve the quality of health care for our seniors.

As much as 10 percent of all Medicare expenditures may be due to fraud, and can be reduced or eliminated by better oversight.

The work Senator HARKIN has been involved in, in reviewing Medicaid and Medicare fraud, is absolutely powerful and absolutely convincing about the tens of billions of dollars that can be saved. You go to any hall in this country and ask our senior citizens where there can be savings. Any senior citizen can give you chapter and verse about how there can be savings in the Medicare system. Many of them can tell you about the fraud that is being perpetrated upon them at the present time. We ought to address that kind of issue before we are talking about reductions in essential services.

Medicare could save $20 billion annually if senior citizens have assistance in monitoring their medications more carefully in order to avoid adverse drug reactions.

We spend billions and billions of dollars a year from adverse drug reactions where the senior will go to a doctor and receive various medications, receive other medications from another doctor, and find there is an inconsistency in terms of taking both medications and then find they have an illness. There are ways to remedy that problem, to save billions and billions of dollars—again, to improve the quality of health. We do not hear that issue raised or discussed or debated.

We do not have to destroy Medicare in order to save it. Congress will never allow the Medicare trust fund to become bankrupt. I know that, and the American people know it. It is time for the Republicans to stop raiding Medicare, and join in sensible steps to improve and strengthen it for the future.

Another false Republican argument in defense of their Medicare cuts is that the reductions are not really cuts, because the total amount of Medicare spending will continue to grow. But every household in America knows that if the cost of your rent, the cost of your utilities, and the cost of your food go up—and your income stays the same or goes up more slowly—you have taken a real cut in your living standard.

Republicans speak of a cut in defense, even though defense spending has remained stable. Apparently, the same Republican logic does not apply to spending on Medicare that applies to spending on guns and tanks. A cut is a cut is a cut—whether it is in Medicare or Social Security or national defense.

Republicans also claim that deep cuts in Medicare are necessary to balance the budget. But that argument only proves that Republican priorities are wrong. Democrats favor a balanced budget, and President Clinton has proposed a balanced budget—balanced fairly, not balanced on the backs of senior citizens, or children, or workers. There is a right way to balance the budget, and a right-wing way. And unfortunately, the Republicans continue to pick the right-wing way.

Republicans deny that their Medicare cuts will fund tax cuts for the wealthy. This time, the leopard claims that it really has changed its spots. But their budget clearly envisions $60 billion in revenue increases from tax extenders and closing of selected corporate loopholes in order to fund $60 billion in new tax breaks for the undeserving rich. Without those new tax breaks, they wouldn't need to cut Medicare by $167 billion.

The Democratic amendment eliminates these new tax breaks for the wealthy and uses them to protect Medicare. The Medicare trust fund should not be a slush fund for Republican tax breaks for the rich.

Republicans can run as hard as they want in this election year, but they can not hide from these facts.

Even more damaging than the loss of the billions of dollars that Republicans would slash from Medicare is their attempt to turn Medicare over to the private insurance industry. The Republican budget contains a number of changes to force senior citizens to give up their own doctors and join private insurance plans.

Once they are forced into these plans, senior citizens will be stripped of many of the protections they enjoy today—protection against overcharges by doctors and other health care providers, protection against premium-gouging and profiteering by insurance companies, protection of their right to keep their own family doctor and go to the specialist of their choice.

Republicans claim they only want to offer senior citizens a choice, but this is a choice no senior citizen should be forced to make.

The harsh cuts in Medicare contained in the Republican budget are also a repudiation of our historic commitment to Social Security, because the distinction between Medicare and Social Security is a false one. Medicare is part of the same compact between the Government and the people as Social Security. That compact says contribute during your working years, and we will guarantee basic income and health security in your retirement years.

Any senior citizen who has been hospitalized or who suffers from a serious chronic illness knows that there is no retirement security without health security. The cost of illness is too high. A few days in an intensive care unit can cost more than the total yearly income of many senior citizens.

The low and moderate-income elderly will suffer most from these Medicare cuts. Eighty-three percent of all Medicare spending is for older Americans with annual incomes below $25,000. Two-thirds is for those with incomes below $15,000.

No budget plan that purports to be part of a Contract With America should break America's contract with the elderly. It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved and unneeded tax break for the wealthiest Americans.

Everyone knows that the real vote on Medicare is not on the floor of the Senate or the floor of the House of Representatives. The real vote will be cast in November by the American people, and they know that the future of Medicare is too important to be decided by a Republican Congress or a Republican President.

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

Mr. KENNEDY. I ask unanimous consent to proceed for 2 more minutes to respond to questions.

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

Mr. ROCKEFELLER. I simply ask the Senator from Massachusetts, when he was referring to the 1993 Budget Reconciliation Act—where I think we reduced Medicare expenditures because that had to be done, but we did it consistent with beneficiary purposes—the Senator brought up the point that we did not get a single Republican vote. It was a stunning moment. I will never forget it. I was sitting right over there. We had to get every single Democrat to let that effort to improve Medicare survive.

I do not understand that. I do not understand the inconsistency of that. If they are for trying to do something about Medicare now, why, 3 years ago, was there a total lack of interest, with no mention of Medicare trust fund health at that time?

Mr. KENNEDY. The Senator is entirely correct, and there is no Member of the Senate who knows more about those negotiations than the Senator from West Virginia, since he was really the leader in those negotiations, which were enormously complex and difficult.

Even with the reductions that were worked out, we were sensitive to any reduction in benefits for recipients and looked for other ways to find the savings that were achieved in that program but, nonetheless, extended the solvency for a period of 3 years.

As the Senator knows, even after that period of time, we found out at the start of this Congress that our Republican friends wanted to take some $80 to $90 billion out of the trust fund to designate it for tax breaks for the wealthy. Not only were they unresponsive to the calls and challenges at the time the Senator has mentioned, but even following that, they were willing to raid the trust funds for tax breaks for the wealthy.

It is enormously troublesome, I think, for all of us to see, again, the effort to raid the Medicare trust funds to use for additional tax breaks today.

I am wondering, as the Senator from West Virginia, who is a real expert on

Medicare, Medicaid and health policy generally, if he does not find that to be one of the most repulsive aspects of the proposal that has been advanced by our Republican friends?

Mr. ROCKEFELLER. I say to the Senator from Massachusetts, I do, and I am also confounded, frankly, by the sense of its stupidity. It is not just obscene, it is stupid. The American people have rejected the idea of tax cuts for the wealthy. That was rejected, and then they come right back again for the same thing. Maybe there has been more emphasis in the House than here, but nevertheless, there is this tremendous desire for tax cuts for the wealthy. They have to have those tax cuts, and the Medicare beneficiaries just take second place.

I was stunned when I heard the Senator say, ''this is the anniversary of the invasion of Normandy and for those people, let them fall where they might.''

Mr. KENNEDY. They are the ones who fought in the wars and pulled the country out of the Depression and are the ones who paid into this fund over a period of time. This is not a piggy bank. The Medicare trust fund is not a piggy bank for Republicans to dip into to grant tax breaks for wealthy individuals. That is really the fundamental issue. It will continue to be debated here and across the country in the course of the campaign.

I thank the Senator from West Virginia.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Presiding Officer. I want to continue some of the thoughts of the distinguished Senator from Massachusetts, who has incredible knowledge of this history, over 30 years in the development and nondevelopment of health care policy.

Might I ask the Presiding Officer how much time I have in order to speak?

The PRESIDING OFFICER. Ten minutes.

IMPLICATIONS OF MEDICARE TRUSTEES' REPORT

Mr. ROCKEFELLER. Mr. President, first of all, I will not be able to finish, but I will do the best I can. I want to acknowledge the very serious implications of the Medicare trustees' report released yesterday. The Medicare part A trust fund, the part that pays the hospital bills of beneficiaries, is likely to be insolvent by 2001, a year earlier than predicted last year. This is a very serious issue. I take it as such, and it must be addressed.

So the news is bad, Mr. President. Unfortunately, contrary to assertions made by my colleagues on the other side of the aisle, this is not a new problem, and unlike the Republicans, this is not a problem Democrats just discovered.

The Republicans chose to ignore 20 previous trustees' reports that warned of future trust fund problems. But when they needed to come up with the money to pay for tax breaks, they decided to manufacture an impending crisis.

Just 3 years ago, as the Senator from Massachusetts and I were discussing, the trustees projected the hospital trust fund was going to run out of money in 1999, which is 3 years hence. Democrats took immediate measures, and I know because I was responsible for putting some of those together, to add 3 more years of solvency by very carefully reducing Medicare spending by about $59 billion. And, Mr. President, Democrats have produced our own Medicare proposals that would postpone the date of trust insolvency for at least another decade. That is called 10 years. That is quite a lot of time.

The CBO has certified that the President's Medicare plan would extend trust fund solvency until the year 2005. Here we are dealing with 9 or 10 years.

The big difference between Democrats and Republicans is that we have only proposed those reductions in spending that are necessary to achieve 10 more years of solvency. That is our only purpose. That is our only policy purpose. The Republicans continue to propose drastic Medicare cuts so that they can pay, again, for what has become a cliche—but a cliche is something that is said so often it is true—tax breaks for the wealthy.

Mr. President, over the past decade, Congress has, and usually in a very bipartisan manner, taken repeated steps to rein in the costs of the Medicare Program. We do not have a bad record on this. We reformed the hospital payment system in 1983. We reformed the physician payment system in 1989. Senator Durenberger, a Republican from Minnesota, was instrumental in that. We did this together, Democrats and Republicans, with minor controversy, to shore up the hospital trust fund. That was the policy purpose, and to make the Medicare Program a prudent purchaser of health care services.

Unfortunately, the bipartisanship to address the problems of Medicare ended—and ended completely—in 1993 when the Republicans refused to participate in what was an entirely serious effort to reduce the Federal deficit. Democrats were forced, therefore, to act alone. Because of the Democratic efforts, and without, as the Senator from Massachusetts said, a single Republican vote. This is really extraordinary when you think about it; there are usually a few people who will help on this—there was not a single one, not a single one.

The deficit has fallen now for 4 straight years as a result of that action in 1993. That had not happened since either Harry Truman was President or the Civil War. I am not sure which, and there is a big difference. But, anyway, 4 years of budget deficit reduction has not happened in a long, long time.

Bipartisanship also failed to materialize last year when the Democrats refused to engage in an exercise to carry out Speaker GINGRICH's Contract With America, that handed out tax breaks for the wealthy at the expense of the Medicare and Medicaid Programs.

Mr. President, there are billions of dollars in common Medicare savings that we could agree on tomorrow to strengthen the trust fund. But compromise is not something that many of my colleagues on the other side of the aisle, and particularly on the other side of the Capitol, have learned to do to this point.

Last year, the public overwhelmingly rejected the massive health care cuts proposed by the Republicans. Instead, though, of coming up with a new plan, or even new numbers, the Republicans have not changed much at all.

They say their plan is more moderate, but it is not. The total Medicare savings in their new plan are lower, but they are lower only because their new budget covers 6 years, not 7.

That tends to make a difference. If you look at the year-by-year Medicare cuts in this year's Republican budget, you can see that the cuts are nearly identical to—identical to or larger—than the cuts in the vetoed budget reconciliation bill from last year.

Kevin Phillips, a Republican political analyst, who Republicans do not like to hear quoted, said just a few weeks ago that the ''new'' Republican budget ''is no more than a routine expression''—this is interesting—''a routine expression of core GOP fiscal policy: never to ask the top 1 percent of Americans to sacrifice if Medicaid, Medicare, or education funds for ordinary people can be targeted instead.''

The Republican budget resolution goes way too far in trying to reduce Medicare spending. The cuts are much more than is needed to extend short-term solvency for another decade. The Republicans know that.

The Republican budget would hold Medicare to a much tougher standard on its health care costs than current projections for even private health insurance. That is an important point. Private health insurance is expected to grow by 7.1 percent on a per person basis over the next 7 years. The Republican plan caps Medicare per person spending at 4.8 percent over the next 7 years, even though Medicare generally serves an older and a sicker population. And Medicare, as a program, is even covering more people, while private health insurance is covering fewer and fewer Americans, as employers pull back from what I would consider their responsibility.

So these very tight budget caps that the Republican plan would impose on Medicare spending will seriously harm the quality of care that seniors currently receive, or will significantly increase their out-of-pocket expenses, or will do both.

Last year Dr. June O'Neill, the Republican-appointed head of the Congressional Budget Office, testified before the Senate Finance Committee that seniors would in fact have to pay more, pay more to keep the same level of quality that they have today under the Republican plan. She is their appointee. That is what she said.

I asked her how much more? She said she did not know. I sent her a letter soon after the specifics of the Republican plan were finally unveiled by the Finance Committee. That was not only signed by myself, but also by the minority leader, asking her again, how much more would seniors have to pay under the Republican proposal?

I never got a response. I am a U.S. Senator. I assume that after a while somebody in that position would eventually get a response. I did not. I still do not know exactly how much more seniors would have to pay. All I know is that they will have to pay a lot more.

Mr. President, in West Virginia, which I represent, the average senior's income is $10,700 a year. We talk of seniors making $25,000, $17,000, $18,000. In West Virginia the average is $10,700 a year. They are already spending 21 percent of their income on health care. They do not have a margin. They do not have room for more.

People always assume that somehow the Democrats are just being silly and soft because they assume that seniors can pay more. Some seniors should pay more, and high-income seniors probably should. That should be worked out as a package, dealing with the whole Medicare Program, in exactly the kind of Medicare commission that Senator DOLE proposes and which I support.

Mr. President, for my constituents in West Virginia, ''more'' is a very scary word. Last year I talked about Geno Maynard, Sue Lemaster, and John and Betty Shumate.

Geno Maynard is 78 years old and lives in Kenova, WV; Sue Lemaster, is a 83 year old who lives in Follansbee; and John and Betty Shumate are Medicare beneficiaries who live in Beckley. They're 4 of the 330,000 West Virginians who depend on the Medicare Program for health care, and they all told me that they were worried. They quite flatly told me, they do not have any more money to spend on health care. It's a big worry for millions of other seniors all over America. On average, seniors already spend 21 percent of their incomes on health care expenses.

Mr. President, it is a year later and I still cannot tell my constituents how much more they would have to pay under the Republican plan. I can only say that according to reliable health experts and the Republican-appointed head of the Congressional Budget Office, they are going to have to pay more for their health care.

Mr. President, in addition to tight budget caps, the Republican plan also assumes enactment of some very dangerous programmatic changes. For example, Mr. President, the Republican plan assumes elimination of current law balance billing protections for senior citizens. Medicare currently prohibits health care providers from price gouging. Health care providers are banned from charging Medicare patients more than 15 percent above what Medicare pays them. This is an incredibly important financial protection that we enacted in 1989—on a bipartisan basis—as a part of physician payment reform. Prior to enactment of balance billing protections, seniors spent over $2 billion a year on out-of-pocket balance billing charges.

Last year, I offered an amendment during the Finance Committee's markup of the Republican Medicare bill that would make sure beneficiaries would continue to have the same financial protections that they have under current Medicare law. My amendment was defeated on a strict party line vote. This is just one more example of how the Republican plan will insidiously destroy the Medicare Program.

Mr. President, there are plenty of other examples. To name just one more: A Medicare medical savings account proposal that actually costs the Medicare Program $4 billion a year; and will further weaken the Medicare trust fund. The New York Times reported that according to ''many experts'' MSA's would lead to the ''balkanization of healthy and sick.''

Let us not forget that the Medicare Program is an incredible success when it comes to access. Seniors are the only group of Americans who enjoy universal coverage. If Medicare is cut by unprecedented amounts of money to pay for anything but Medicare, the consequences will be disastrous for health care providers and beneficiaries.

Mr. President, the bigger problem that we all continue to skirt around is the long-term solvency of the Medicare trust fund. When the baby boomers begin to retire in 2011, the Medicare Program will be severely, severely strained. I proposed a Greenspan-like commission last year to try to take this debate out of the political arena. The American Hospital Association also thinks a commission is necessary to force action to improve the short-term and long-term solvency of the trust fund.

Hospitals have plenty of reason to worry. Not only are their bills paid from the part A trust fund, but the American Hospital Association estimates that the new Republican budget cuts hospital payments 20 percent more than last year's Republican budget. As a result of these larger hits to hospitals, ''hospitals are likely to experience actual reductions in payment rates,'' not just reductions in the rate of Medicare revenue growth.

The Prospective Payment Review Commission [ProPAC]—a nonpartisan commission that advises Congress on hospital payment issues—has issued a stern warning about the severe negative effect massive Medicare reductions will have on hospitals. In my own State, over 50 percent of all our senior citizens live in rural areas. How far are they going to have to travel to get basic hospital care if their local, rural hospital is forced to shut its doors?

Mr. President, the solvency of the Medicare trust fund is too important of an issue to be left to politics-as-usual. Thirty-seven million Americans rely on the Medicare Program to pay for their health care services. The Republicans' suggestion that the Democrats are uninterested in doing what is necessary to put Medicare on sound financial footing is preposterous. It was Republicans in Congress who voted against Medicare's creation in 1965—and it is now Republicans in this Congress who pose a real threat to Medicare's future. They will keep on saying they are saving Medicare, but raiding Medicare is no way to rescue it.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. SPECTER. Mr. President, I have sought recognition to comment briefly on the vote earlier today rejecting the constitutional amendment for a balanced budget. I supported that amendment, as I have on a number of occasions during my tenure in the U.S. Senate. I was disappointed to find the amendment failed today in light of the repetitive speeches on the floor of the U.S. Senate about the importance of balancing the budget.

It is true that, if discipline could be imposed in the Congress of the United States, a balanced budget amendment would not be necessary. But the historical fact is unmistakable that the kind of discipline necessary is simply not present, given the nature of our system where there are so many demands for programs to spend and where there is such an aversion, understandably, to increases in taxation. So if there is to be a balanced budget, it is mandatory that it be a requirement of law which would rise to constitutional proportion.

Every other unit of government has the requirement for a balanced budget. My State, the Commonwealth of Pennsylvania, has such a requirement. Cities have such a requirement. Townships have such a requirement. Counties have such a requirement. On an individual basis, all of us must live within our means or we wind up in the bankruptcy court.

The issue of a balanced budget came into sharper focus for me 2 years and 4 months ago when my wife Joan and I had our first grandchild. It would be absolutely unthinkable, as individuals, for us to purchase on a credit card for young Sylvie Specter or her sister

Perry Specter. But that is precisely what we are doing as a nation in building up deficits in the range of $200 billion a year and a national debt which now exceeds $5 trillion. There has been a unique opportunity to deal with this in an institutional way to achieve a balanced budget. That is through a constitutional amendment.

There are many subjects which are talked about on the Senate floor, repetitively, where it is very hard to find out which philosophy is correct and which political party is at fault. I suggest, Mr. President—and I do not do this often—that there is a defining difference between the philosophy of the Republicans and the philosophy of the Democrats on this subject. That has been continuously demonstrated by the votes on this subject.

Today's vote was 64 to 35. So the Senate fell three votes short of the two-thirds necessary to have a constitutional amendment. Among the 53 Republicans, 52 voted in favor of the constitutional amendment for a balanced budget. Among the 46 Democrats who voted, one Democrat being absent, 12 Democrats voted in favor of the constitutional amendment for a balanced budget and 34 voted against.

President Clinton has stated his position in being in opposition to a constitutional amendment for a balanced budget. Senator DOLE, the presumptive Republican nominee, has led the fight for a constitutional amendment for a balanced budget.

I believe that this is very similar to the Clinton health care proposal as a defining issue as to where the parties stand. The Clinton health care proposal was a very drastic change to put the Government into the health care business.

When I read the Clinton proposal in September 1993, I started to make a list of all the agencies, boards, and commissions which were created. I found I could not tabulate them all and asked an assistant to make me a comprehensive list. My assistant, instead, made a chart instead of a list. I am sparing C–SPAN viewers showing again the chart. It has been fairly extensively shown with boxes in red showing more than 100 new agencies, boards, and commissions under the Clinton health care plan, and the boxes in green, 50, giving additional tasks to 50 existing bureaus.

Bob Woodward of the Washington Post said that chart was the critical fact to defeat the Clinton health care plan. A picture is worth 1,000 words. A chart in some situations is worth 1,000 pictures and perhaps worth more than $100 billion in this case.

I believe that the health care program that President Clinton proposed was a defining issue, just as this vote today on a constitutional amendment for a balanced budget is a defining issue.

I am convinced that the budget can be balanced with a scalpel and not a meat ax. I serve as chairman of the Appropriations Subcommittee on Labor, Health, Human Services and Education. The allocation to that subcommittee was reduced from $70 billion last year to $62 billion.

Senator TOM HARKIN, my distinguished ranking member on the Democratic side, Senator HARKIN and I worked collaboratively, as we did when he was chairman of the subcommittee and I the ranking minority member, and we structured a budget that handled it with a scalpel and not a meat ax.

We found that budget would not meet the President's requirements, and we came back on the floor of the U.S. Senate this spring. Senator HARKIN and I offered an amendment which added $2.7 billion. It was like threading a needle to find a way to reach an amount which was satisfactory to the President, which would pass muster with the House committee in conference. After 20 hours of negotiations, the House Members approved the compromise by a vote of 6 to 5 and we got it done. This year, Senator HARKIN and I looked at the budget resolution, saw that we were still going to be short of a mark which would be satisfactory, and we structured another amendment for $2.7 billion. This time, Senator DOMENICI, chairman of the Budget Committee, came in and added another $2.3 billion for a total of $5 billion in excess of what his committee had reported to the floor, so that we would have a realistic figure to do the job.

I cite that as an illustration. If you examine the fine print and look at the semicolons, there would be agreement that it was done within our confines, moving toward the balanced budget, and done with a scalpel and not a meat ax. I believe that we can establish priorities to have a balanced budget and do it carefully, preserving the important programs and eliminating those that are unnecessary, cutting those where cuts can be made.

I am personally convinced that the American people are prepared to have shared sacrifice to have a balanced budget if the cuts are uniform. As I said on this floor last year before we took up the budget resolution, I thought as much as I would like a tax cut I was opposed to it, because while you can justify the cuts if they are fairly made, if there is a tax cut at the same time it simply is unacceptable—some will be favored for a tax cut, with some of the proposals favoring those in the $100,000 category while others at a much lesser figure had to have the reductions. If the reductions are fairly stated, I think shared sacrifice is something that the American people are prepared to accept. That is the concept of a balanced budget.

It is my hope that this issue, like the issue of health care, will be dealt with by the American people in November. I thought it a mistake when the Government was closed down last November, not something I am saying for the first time on June 6, 1996. I said it back on November 14, as the CONGRESSIONAL RECORD will show during the first shutdown. That was an opportunity to crystalize the issue for the November election.

I think this is a watershed, a landmark signal issue on today's vote. When you take a look at the party alignment, with President Clinton leading the Democrats and 34 out of 46 voting Democrats in the Senate today voting ''no'' on the balanced budget amendment, and 52 out of 53 Republicans voting ''yes'' on the balanced budget amendment, that is an issue which ought to be submitted to the referendum this November. I yield the floor.

MEDICARE INSOLVENCY

Mr. COCHRAN. Mr. President, this afternoon, we had an interesting hearing in the subcommittee for appropriations which is chaired by the distinguished Senator from Pennsylvania [Mr. SPECTER]. The witness was the Secretary of Health and Human Services, Secretary Shalala. We were examining the budget request being submitted by the administration for appropriations to operate that Department of the Government for the next fiscal year that begins October 1.

Secretary Shalala happens to be in another capacity a trustee of this group who have the responsibility of monitoring the trust fund that supports the benefits paid out under the Medicare Program. Since that group of trustees had just made their report public yesterday at the news conference which we all read and heard about, that subject came up.

It occurred to me, since there was before the general public a suggestion by the President that he had made recommendations that were almost identical with the Republican suggestion about how to protect the benefits of this Medicare Program and how to deal with this impending insolvency of that fund, it occurs to me that we are going to see more of the same kind of political shenanigans from now until the end of this year, with nothing being done unless somebody is ready to say, ''OK, we will go along with your proposal.''

The President can say that to the Congress, or we can say that to the President. I am prepared at this point to suggest, in a serious way, and said this to Secretary Shalala at the hearing, the Congress accept the President's suggestions. We can pass the suggested changes for short-term relief of pressure on that fund, but at the same time appoint a commission which is also called for by the President and the trustees in their report to propose long-term changes, changes to affect the long-term insolvency problems of the trust fund, and that the Congress, through its leaders and the President himself, agree to implement the recommendations of that commission for long-term changes.

It seems to me that is one way to resolve this as a part of this argument

over whether Republicans are trying to cut taxes, to impose changes on Medicare beneficiaries as a part of a budget balancing act. We already, in the Congress, submitted to the President proposals to rescue the Medicare Program. That was a part of the Balanced Budget Act which the President vetoed. He has already rejected what Congress has suggested. After weeks and weeks of negotiations with leaders of the Congress and the President at the White House, all we got out of it were some photo ops, some political posturing, partisan sniping. We have had enough of that. The American people are fed up with that kind of politics. That is not the way to run the Government. I am tired of it.

I have recommended and seriously urge this Congress to accept the recommendation of the President—not the one, of course, that says that home health care ought to be paid for out of the general Treasury; I am talking about changes that will reduce the costs of the program in a way that saves the program from insolvency—they recommended last year that we had to act before the year 2002, that we were going to see an insolvency, there would be a bankrupted fund, in effect.

Now, the report this year is worse than that. The year before it was going insolvent. Under the last report, it is going to lose $33 billion, and the following year $100 billion. Contrary to what the junior Senator from West Virginia said, that this is a Republican-manufactured crisis, that is an outrageous comment. That is totally outrageous. These trustees are Democrats by and large. Secretary Rubin said it, Secretary Shalala said it is going to be insolvent, Secretary Reich said it would be insolvent, the head of the Social Security Administration was standing there and agreed with them. That is not a group of Republicans. The Republicans are not manufacturing a crisis. The crisis is real. The crisis is now.

It is irresponsible for us to continue to sit here and listen to this kind of arguing made by Senators on the other side that this is some kind of effort by Republicans to frighten older people. I am frightened. I am not an eligible beneficiary yet. We have to act.

I want to commend the Senator from Pennsylvania for his leadership in an effort to get the Secretary to agree to recommendations to the administration, that they take a stand, put their recommendations in the form of legislation, send it to the Hill, and see if we can pass it.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my distinguished colleague from Mississippi for his kind comments and would amplify what he said. After his leadership in bringing this issue before the subcommittee and the Secretary of Health and Human Services, it was the subject of extended additional discussion. Secretary Shalala did say that she would be prepared to recommend to the President that he sign a separate bill.

There are really few black and white issues on the floor of the U.S. Senate or in the Congress of the United States. I believe that the gridlock is visible right down the middle between Republicans and Democrats. I think there are, as a rarity, some clear-cut issues, as I mentioned a few moments ago on the Clinton health care plan or on the balanced budget amendment, where there is a clear philosophical and factual difference. The posturing which has been undertaken on Medicare I think has been a plague on both Houses and is so recognized by the American people.

Senator COCHRAN and I put it on the table in a direct conclusive way today and Secretary Shalala agreed with the Cochran-Specter proposal, and that is not giving up on the attempt to reach an overall reconciliation bill, to have a balanced budget, which will be presented by the Congress; but, at the same time, that there be a second bill, and if the first overall bill is rejected—which will be a global settlement on the deficit, an agreement between the President and Congress—Secretary Shalala said she would recommend that a separate bill be approved. That bill would be to accept the figure of the President, where he has recommended—and on this floor it is always articulated in terms of ''cuts,'' which is inaccurate. It is $116 billion of reduction on the rate of increase.

Nobody is suggesting cuts. Every time somebody talks about a cut, it is factually incorrect. Last year, there was not a proposal for cuts in Medicare. There was a proposal to have the rate of increase of 7.1 percent instead of a higher figure on increase. This year, the proposal is 6.1 percent of increase, which is a decrease in the rate of increase. That is to say that the increase is not as much as it would have been.

President Clinton has proposed a reduction of $116 billion in the rate of increase. And the proposal which Senator COCHRAN suggested, and I seconded, and Secretary Shalala agreed to, would be to have that as a separate bill, which would be an accommodation to the Medicare trust fund, which would keep it solvent for a period estimated on a variety of between 5 and 10 years.

Right after Senator COCHRAN's questioning and comments to Secretary Shalala, I said that it was the most forceful statement I have heard on the Appropriations Committee in the 16 years that I was present. I was about ready to say the most forceful statement by Senator COCHRAN, but I amended that to be the most forceful statement from anyone that I have seen in my 16 years. Then I walked over to him and said, had it been on national television, he would have been an instantaneous national, if not worldwide, hero. But that happens to be an area where, perhaps in an off moment, we have had agreement between a Democrat and two Republicans.

I said to Senator COCHRAN that if he would introduce the legislation, I would cosponsor it. Now I say, if he will not, I will, and I hope that he will cosponsor it.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

(The remarks of Mr. HELMS and Mr. FEINGOLD pertaining to the introduction of S.J. Res. 56 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

UNCONSTITUTIONALITY OF S. 1740, THE SO-CALLED DEFENSE OF MARRIAGE ACT

Mr. KENNEDY. Mr. President, S. 1740, the so-called Defense of Marriage Act, raises serious questions about the authority of Congress to limit the effect of a State court judgment in other States.

To assist the Senate in its consideration of S. 1740, I asked Harvard Law School Professor Laurence H. Tribe, one of the most respected constitutional scholars in the Nation, to review the bill and its constitutionality. Professor Tribe has done so and has concluded unequivocally that enactment of S. 1740 would be an unconstitutional attempt by Congress to limit the full faith and credit clause of the Constitution.

Mr. President, assaulting the Constitution is hardly defending marriage. I believe that all Members of Congress will be interested in Professor Tribe's analysis, and I ask unanimous consent that the text of his letter be printed at this point in the RECORD.

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

MAY 24, 1996.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: You have asked me whether the Constitution empowers Congress to enact Section 2(a) of S. 1740, which calls itself the Defense of Marriage Act and which would amend 28 U.S.C. 1738 by amending a new section 1738C to exempt ''same sex * * * marriage[s]'' from the reach of the Constitution's Full Faith and Credit Clause, Art. IV, sec. 1, cl. 1, by authorizing any State choosing to do so to deny all ''effect to any public act, record, or judicial proceeding'' by which another State either recognizes such marriages as valid and binding, or treats such marriages as giving rise to any ''right or claim.''

My exclusive focus in this analysis is the question of affirmative constitutional authority in light of the Full Faith and Credit Clause, which the Supreme Court over half a century ago aptly described as ''a nationally unifying force,'' ''alter[ing] the status of the several states as independent foreign sovereignties, each free to ignore rights and obligations created under the laws or established by the judicial proceedings of the others, by making each an integral part of a single nation, in which rights * * * established

in any [state] are given nationwide application.'' *Magnolia Petroleum Co.* v. *Hunt,* 320 U.S. 430, 439 (1943). I have not found it necessary to pursue the further inquiry that would be required if one were to conclude that Congress does have affirmative authority to create the proposed exception to the Full Faith and Credit Clause for same-sex marriages—namely, whether such an exception would nonetheless violate a negative prohibition like that of the Due Process Clause of the Fifth Amendment, see *Adarand Constructors, Inc.* v. *Pena,* 115 S. Ct. 2097, 2111–16 (1995); *Bolling* v. *Sharpe,* 347 U.S. 497, 500 (1954), on the ground that it singles out same-sex relationships for unfavorable legal treatment for no discernable reason beyond public animosity to homosexuals, cf. *Romer* v. *Evans,* 1996 WL 262293, *9 (U.S. May 20, 1996).

Whether this fairly characterizes the Defense of Marriage Act and would in fact be a fatal constitutional flaw in the Act, or whether part or all of the Act could be successfully defended against such a Due Process Clause attack, are questions on which I express no view here, and indeed are questions that it would be unwise to address in light of the conclusion I think one must reach on the anterior question of affirmative congressional power. On that question—and for reasons having absolutely nothing to do with anybody's views on the merits of same-sex marriage or homosexual relationships, and nothing to do with anybody's views about *Romer* v. *Evans* or other equal protection cases—my conclusion is unequivocal: Congress possesses no power under any provision of the Constitution to legislate any such categorical exemption from the Full Faith and Credit Clause of Article IV. For Congress to enact such an exemption—whether for same-sex marriages or for any other substantively defined category of public acts, records, or proceedings—would entail an exercise by Congress of a ''power[] not delegated to the United States by the Constitution''—a power therefore ''reserved to the States'' under the Tenth Amendment. The proposed legislation is thus plainly unconstitutional, both because of the basic ''limited-government'' axiom that ours is a National Government whose powers are confined to those that are delegated to the federal level in the Constitution itself, and because of the equally fundamental ''states'-rights'' postulate that all powers not so delegated are reserved to the States and their people.

As many of this statute's proponents are fond of reminding us, the Tenth Amendment says in no uncertain terms that the ''powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.'' But it is that basic axiom, as I will explain below, that most clearly condemns the proposed statute. The Supreme Court explained in *New York* v. *United States,* 505. U.S. 144, 155–56 (1992), that the inquiry ''whether an Act of Congress invades the province of state sovereignty reserved by the Tenth Amendment'' is a ''mirror image[]'' of the inquiry ''whether an Act of Congress is authorized by one of the powers delegated to Congress . . . in the Constitution.'' Thus, in *United States* v. *Lopez,* 115 S. Ct. 1624 (1995), the Supreme Court struck down the Gun-Free School Zones Act of 1990 (''GFSZA'') on the ground that, because neither the Commerce Clause nor any other provision of the Constitution delegated to the Federal Government the power that it sought to exercise in the GFSZA, Congress had usurped states' rights in enacting that seemingly sensible measure. The Court stressed, as a matter of ''first principles,'' that requiring Congress to confine itself to those ''few and defined'' powers delegated to the National Legislature, id. at 1626 (quoting James Madison, The Federalist No. 45), was the Constitution's most fundamental device for ''ensuring[] protection of our fundamental liberties','' and ''reduc[ing] the risk[s] of tyranny and abuse.'' Id. at 1626 (quoting *Gregory* v. *Ashcroft,* 501 U.S. 452, 458 (1991)).

As a constitutional scholar sometimes identified as ''liberal,'' I was apparently expected by many to side with the Lopez dissenters—Justices Stevens, Souter, Ginsburg, and Breyer. In fact, however, I had publicly predicted, and publicly applauded, the Court's Lopez decision, believing strongly that Congress, however, sound its policy objectives, has a solemn duty to take seriously the constitutional boundaries of its affirmative authority—something I believe it failed to do when enacting the GFSZA, and something I believe it would even more clearly fail to do were it to enact the Defense of Marriage Act.

Who but a madman could favor handgun possession near schools? Who but a scoundrel could oppose the defense of marriage? But of course that isn't the issue. We must look beneath these plain vanilla wrappings to see the power grabs they conceal. In the ''defense of marriage'' context, that power grab is remarkably clear once one strips away the emotion-laden rhetoric that surrounds the issue.

The defenders of the proposed new 28 U.S.C. §1738C, conceding that the Constitution requires them to identify an affirmative delegation of power to Congress as the source of the lawmaking authority they would have Congress exercise, can point only to the Full Faith and Credit Clause itself, and to this statement in particular: ''And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.'' The proposed law's defenders, without any evident embarrassment or sense of irony, claim that a law licensing States to give no effect at all to a specific category of ''Acts, Records and Proceedings'' is a general law prescribing ''the effect'' of such acts, records and proceedings. That is a play on words, not a legal argument. There may be legitimate debate about precisely what sorts of national legislation this clause empowers Congress to enact so as to mandate sister-state enforcement of various state policies which, absent such effectuating legislation, the States might otherwise be free to disregard notwithstanding the Full Faith and legislation, the States might otherwise be free to disregard notwithstanding the Full Faith and Credit Clause. But it is as plain as words can make it the congressional power to ''prescribe . . . the effect'' of sister-state acts, records, and proceedings, within the context of the Full Faith and Credit Clause, includes no congressional power to prescribe that some acts, records and proceedings that would otherwise be entitled to full faith and credit under the Full Faith and Credit Clause as judicially interpreted shall instead to be entitled to no faith or credit at all!

The reason is straightforward: Power to specify how a sister-state's official acts are to be ''proved'' and to prescribe ''the effect thereof'' includes no power to decree that, if those official acts offend a congressional majority, the need to be given no effect whatsoever by any State that happens to share Congress's substantive views. To read the enabling sentence of the Full Faith and Credit Clause to confer upon Congress a power to delegate this sort of nullification authority—to read it, in other words, as the proponents of this anti-same-sex-marriage-law must read it if they are to treat it as the source of power for the legislation they advocate—would entail the conclusion that congress may constitutionally decree that no Hawaii marriage, no California divorce, no Kansas default judgment, no punitive damages award by any state court against a civil rights lawyer—to suggest a few of infinitely many possible examples—need to be given any legal effect at all by any State that chooses to avail itself of a congressional license to ignore the Full Faith and Credit Clause. The enabling sentence simply will not bear so tortured a reading.

The claim of its supporters that this measure would somehow defend states' rights by enlarging the constitutional authority of States opposing same-sex marriage at the expense of the constitutional authority of States accepting same-sex marriage rests on a profound misunderstanding of what a dedication to ''states' rights'' means. If this is a protection of states' rights, then it would equally protect states' rights for Congress, without any affirmative authorization in the Constitution, to license any State wishing to do so to deny basic police protection to same-sex couples visiting the State after getting married in a home State that recognizes same-sex marriage, despite the Privileges and Immunities Clause, Art. IV, §2, cl. 1. Our Constitution protects the rights of the States by assuring their equal status in the Union, and by guaranteeing that Congress may legislate only pursuant to a delegation of power in the Constitution. The proposal federal law transgresses both of these principles. That it does so in a manner that involves licensing some States to take actions that the Constitution itself would otherwise forbid—and in this sense enlarges the powers of States availing themselves of its purported authorization—should not be permitted to deceive anyone into mistaking this legislation for a law friendly to principles of state sovereignty.

Indeed, the proposed measure would create a precedent dangerous to the very idea of a United States of America. For if Congress may exempt same-sex marriage from full faith and credit, then Congress may also exempt from the mandate of the Full Faith and Credit Clause whatever category of judgments—including not only decrees affecting family structure but also specified types of commercial judgments—a majority of the House and Senate might wish to license States to nullify at their option. Such purported authority to dismantle the nationally unifying shield of Article IV's Full Faith and Credit Clause, far from protecting states' rights, would destroy one of the Constitution's core guarantees that the United States of America will remain a union of equal sovereigns; that no law, not even one favored by a great majority of the States, can ever reduce any State's official acts, on any subject, to second-class status; and, most basic of all, that there will be no ad hoc exceptions to the constitutional axiom, reflected in the Tenth Amendment's unambiguous language, that ours is a National Government whose powers are limited to those enumerated in the Constitution itself.

The basic point is a simple one: The Full Faith and Credit Clause authorizes Congress to enforce the clause's self-executing requirements insofar as judicial enforcement alone, as overseen by the Supreme Court, might reasonably be deemed insufficient. But the Full Faith and Credit Clause confers upon Congress no power to gut its self-executing requirements, either piecemeal or all at once.

If judicial precedent for this textually and structurally evident conclusion is sought, it must be sought in analogous areas rather than in the context of the Full Faith and Credit Clause itself, for Congress has never attempted to exercise its Full Faith and Credit enforcement power to nullify rather

than to enforce the mandate of that clause. In perhaps the closest analogy, the Supreme Court has interpreted another of the Constitution's few clauses expressly authorizing Congress to enforce a constitutional mandate addressed to the States to mean that Congress may effectuate such a mandate but may not ''exercise discretion in the other direction [by] enact[ing]'' statutes that ''dilute'' the mandate's self-executing force as authoritatively construed by the Supreme Court. *Katzenbach* v. *Morgan*, 384 U.S. 641, 651 n. 10 (1966) (Section 5 of the Fourteenth Amendment). A similar principle must guide interpretation of the Full Faith and Credit Clause, whose text leaves no real doubt that its self-executing reach, as authoritatively determined by the Supreme Court, may not be negated or nullified, in whole or in part, under the guise of legislatively enforcing or effectuating that clause. This is especially so in light of ''the strong unifying principle embodied in the Full Faith and Credit Clause looking toward maximum enforcement in each state of the obligation's or rights created or recognized by . . . sister states . . . '' *Hughes* v. *Fetter* 341 U.S. 609, 612 (1951).

It would do violence not only to the letter but also to the spirit of the Full Faith and Credit Clause to construe it as a fount of affirmative authority for Congress—if I may be excused for borrowing a marriage metaphor—to set asunder the States that this clause brought together. The Constitution's plan to form a ''more perfect Union,'' in the preamble's words, would be inexcusably subverted by treating its most vital unifying provision as a license for legislation that does not unify or integrate but divides and disintegrates.

It is no answer at all to say that some purported marriages—e.g., marriages entered into in one State by residents of another in order to evade the latter State's prohibition against bigamy—might in any event be entitled to no ''faith and credit'' under Art. IV, §1, cl. 1, as occasionally construed by the courts. To the degree that this is in fact true of any given category of marriages, divorces, or other official state acts—itself a complex and controversial question (see Robert H. Jackson, Full Faith and Credit—the Lawyer's Clause of the Constitution, 45 Colum. L. Rev. 1, 27 (1945); Douglas Laycock, Equal Citizens of Equal and Territorial States, 92 Colum. L. Rev. 249, 313–37 (1992))—all that follows is that, with respect to such marriages, divorces, or other official acts, the proposed federal legislation would be entirely redundant and indeed altogether devoid of content.

In any such context, ''[e]ven if the Federal Government possessed the broad authority to facilitate state powers, in this case there would be nothing that suggests that States are in need of federal assistance.'' *Rubin* v. *Coors Brewing Co.*, 115 S. Ct. 1585, 1591 (1995) (rejecting on First Amendment grounds a ''let-Congress-assist-the-States'' argument in support of a federal regulation of beer advertising). The essential point is that States need no congressional license to deny enforcement of whatever sister-state decisions might fall within any judicially recognized full faith and credit exception. The only authority the proposed statute could possibly add to whatever discretion States already possess would be authority to treat a sister State's binding acts as though they were the acts of a foreign nation—authority that Congress has no constitutional power to confer.

Sincerely,

LAURENCE H. TRIBE,
RALPH S. TYLER, Jr.,
Professor of Constitutional Law, Harvard Law School.

RACE FOR THE CURE

Mr. HEFLIN. Mr. President, on June 15, in Washington, there will be a race to raise money to find a cure for a disease that will take the lives of an estimated 44,560 women this year. Appropriately titled Race for the Cure, it stresses the importance of finding a cure for breast cancer, a disease that will claim one in nine women. This race is one of people who care coming together for a cause in which they believe. However, this race is much more than that. It is symbolic of the race women are running against time. The Race for the Cure represents our efforts and concern in finding a cure for breast cancer and helping many women achieve a greater peace of mind.

This terrible disease affects women everywhere. Here in the United States, breast cancer is second to lung cancer in cancer-related deaths among women. However, in spite of its prevalence, we still cling to the belief that it will not happen to us or those we are close to. Chances are that someone you know and love will be a victim of this tragic disease. Chances are that someone will be your wife, mother, daughter, or sister.

As with most types of cancer, a primary cause has not been found. Young women are increasingly dealing with the fear of this potentially threatening disease. Older women, who are at a much higher risk, are often not aware of their vulnerability to breast cancer. Only 34 percent of women over the age of 50 receive regular mammograms.

Until a cure is found, we all must join in the effort to raise money for research and continually improve education and awareness of this disease. I am proud to say that Alabama has been a driving force in our Nation's efforts toward these goals. Advances at the University of Alabama at Birmingham, like the identification of the human natural killer cell thought to play a key role in the body's destruction of cancer cells, are vital to the discovery of a cure. The consistent support of research centers, like the Marshall Space Flight Center, which assist with and support cancer research, are crucial to our progression toward a cure. Not unlike UAB and Marshall Space Flight Center, cancer research and education facilities across the country must receive funding. This signifies the importance of the Race for the Cure which allows individuals, who are essentially helpless against cancer, to work in unison for cancer research and awareness.

Having chaired the Alabama Breast Cancer Summit, I have been amazed at the aggressiveness and frequency of this disease. An article which appeared in The Journal of the American Medical Association on February 9, 1994, told of how the baby boom generation have about twice the risk of developing cancer as their grandparents. The threat becomes even more imminent when one considers how quickly the percentage of elderly people in this country is growing. Even now, the risk for women is greater than before. Women born in the 1950's have almost a 3 times greater risk of being diagnosed with breast cancer than women born 50 years earlier. Some of this increase can be attributed to the improved methods of diagnosing breast cancer. However, because the trends are steady and are seen in women over 50, who receive less screening, researchers believe better diagnoses cannot explain the whole picture.

The Race for the Cure is, therefore, important not only in terms of raising money for breast cancer research but also in providing a forum for awareness and education. I encourage everyone who can to participate in the Race on June 15. Also, I would like to encourage everyone in the Nation to get involved in efforts to fight breast cancer in their communities. We all have to work diligently toward a cure for this tragic disease.

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 TV energizer bunny 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, Wednesday, June 5, the Federal debt stood at exactly $5,141,669,992,686.17, which amounts to $19,401.82 per man, woman, child on a per capita basis.

A TRIBUTE TO GEORGE L. WESSEL

Mr. MOYNIHAN. Mr. President, I rise today to pay tribute to George L. Wessel, a friend and associate, who is stepping down as president of the Buffalo AFL–CIO Council after 27 years as Erie County's foremost labor leader representing more than 100,000 workers in more than 200 labor locals. Though he will continue to stay active in the community, he will now be fortunate enough to spend more time with his wife of 49 years, Mary; his daughter, Mary Catherine; and his three grandchildren, Joseph, Mary Anna, and Catherine Victoria. I thank him for his good work and wish him the best of luck in the future.

George Wessel's career involvement with the labor movement began when he returned home from serving his country in the U.S. Navy during World War II. He worked for Remington Rand, joined the Printing Pressmen's

Union, and eventually became a journeyman printer. From that position, he advanced to become a chief steward in the plant and a member of the Local 27 executive board. His fellow workers noticed his dedication to the cause of organized labor, and in January 1961, they elected George as secretary-treasurer of the local which represented all print shops in western New York. In this post, he again served with distinction until January 1, 1969, when he was elected to succeed Judge James L. Kane as president of the Buffalo AFL–CIO Council.

As President, George Wessel has enjoyed great popularity as a leader of labor and as a leader in civic life. Elected to nine 3-year terms as president of the Buffalo AFL–CIO Council, George has been a tremendous influence on the labor movement in the past quarter century. In the early 1980's, the Buffalo AFL–CIO Council was in the forefront of efforts to organize Solidarity Day in Washington, DC. Since then, thousands of union activists have converged at the Nation's Capital each year to call attention to issues affecting working men and women. George has also overseen council activities, negotiated with business leaders, mobilized affiliated locals for public demonstrations, and been the official spokesman for organized labor in Erie County. He also started the grand tradition of the Labor Day parade through the streets of Buffalo. It was several times my honor to march through the streets with George during the parade, and I was always the better for having done so.

George Wessel has also been a sterling member of the community as he has constantly worked to improve the physical, social, and cultural environment of Buffalo. Whether as a member of the United Way, or as a member of the labor advisory board at Cornell University, George Wessel has strived to make Buffalo a better place to live and work.

Though labor has faced many setbacks in western New York and throughout much of the country in recent years, George Wessel has fought to stem that tide. Due to his great efforts, organized labor still remains at the forefront of commercial activity and is a much respected movement in the Buffalo community.

We shall all be sorry to see George step down as president of the council, but organized labor will still remain a force in Erie County. Like the Workers Memorial in Chestnut Ridge, this is a testament to George Wessel's half century of involvement with the union movement in Buffalo.

Mr. COVERDELL. Mr. President, parliamentary inquiry. Are we operating as if we were in morning business?

The PRESIDING OFFICER. Yes, with a time limit of 10 minutes per speaker.

BALANCED BUDGET AMENDMENT

Mr. COVERDELL. Mr. President, I ask unanimous consent that current letters from the Governors of California, Illinois, Kansas, Louisiana, Michigan, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Carolina, Virginia, and Wyoming on the need for the balanced budget amendment to the Constitution be —I would use the word memorialized—in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE CAPITOL,
Sacramento, CA, June 4, 1996.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: This week, the 104th Congress will make a final attempt to pass the Balanced Budget Amendment. The amendment has already been approved overwhelmingly by the House of Representatives, and it is within two votes of passage in the Senate. I urge you to take this opportunity to endorse the Balanced Budget Amendment and help secure the Democratic votes needed to ensure its passage.

To Californians alone, certainty of a balanced federal budget is literally worth billions upon billions of dollars. The lower interest rates that would accompany reduced federal borrowing would save our state government more than $3 billion per year, enough to provide a $262 tax cut for every household in California. More importantly, balancing the budget by 2002 would prevent each and every citizen in California from assuming more than $4,000 worth of additional federal debt.

Comparison of federal spending and California state spending over the past five years shows that if Washington had practiced a level of fiscal discipline similar to that we have exercised in Sacramento, the federal government would now be running a surplus rather than a deficit. There is no question that California's constitutional mandate for a balanced budget has provided an essential incentive for achieving this performance.

Now, California is reaping the benefits of tightly controlled spending, with a resurgent economy driving up state tax revenues. This has set the stage for tax cuts that will let people keep more of their own money, and increased funding for education and other investments in California's future.

Mr. President, you, more than anyone else, should be supporting the Balanced Budget Amendment to show your honest commitment to reforming federal spending and sparing future generations from a crushing burden of debt. The Balanced Budget Amendment is a promise that transcends elections; a promise that cannot be simply revoked on November 6.

I challenge you to make public your support for the Balanced Budget Amendment and help secure the two Democratic votes needed to pass it.

Sincerely,

PETE WILSON.

STATE OF ILLINOIS,
OFFICE OF THE GOVERNOR,
Springfield, IL, June 4, 1996.

Hon. WILLIAM J. CLINTON,
President of the United States,
The White House, Washington, DC.

DEAR PRESIDENT CLINTON: In the next week, the Senate will be voting on the Balanced Budget Amendment. I urge you to contact Senators from your party and ask them to vote for this critical measure. We must change the direction our country is going financially, and this is the first step.

This is a very bi-partisan issue, as Senator Simon from the State of Illinois has proven. Members from both sides of the aisle have recognized the importance of passing a bill mandating to Congress that this country operates under a balanced budget. The longer we wait to balance the budget, the more we leave a legacy of debt for our children and grandchildren and take away from our ability to address pressing national priorities.

In the United States, we currently spend 11 times more money on interest on the national debt than we do on education, and twice as much on interest than on all of our poverty programs. We have come to realize in Illinois the importance of a balanced budget and the sacrifices that are needed to achieve that goal. A balanced budget requirement as been part of our state constitution since 1970, and members of both parties have worked hard at maintaining that requirement.

Mr. President, I can not stress enough the importance of passing the Balanced Budget Amendment. In order to achieve the balanced budgets that you and the Republican leadership have proposed, we need the discipline of a constitutional amendment. Again, I urge you to contact members of your party in the Senate, and request that they vote for the Balanced Budget Amendment. I thank you, in advance, for your consideration on this matter.

Sincerely,

JIM EDGAR,
Governor.

STATE OF KANSAS,
OFFICE OF THE GOVERNOR,
Topeka, KS, June 5, 1996.

Hon. WILLIAM J. CLINTON,
President of the United States,
The White House, Washington, DC.

DEAR PRESIDENT CLINTON: The next few days will be historic. The announcement by United States Senator Bob Dole to resign from his position as Majority Leader and U.S. Senator is of great historical significance. Before the distinguished Senator departs, you and the members of Congress will have the opportunity to perform a legislative act equally historic—approving legislation to balance the federal budget. As Senator Dole concludes his terms in the United States Senate, this week has been proclaimed *Balanced Budget Week* in recognition of Senator Dole's efforts to set America back on track toward economic vitality. I encourage you to do everything in your power to promote a balanced budget amendment.

Since 1932, Kansas has been a cash basis state, which means that pursuant to State law, Kansas cannot debt spend. We are forced to project revenues and balance our budgets accordingly. Sometimes we must reevaluate our priorities and tighten our belts. Other times we must reevaluate the relationship between the State and its citizens by determining in what programs the people of Kansas want their government to engage, and which programs are no longer worthy of the people's financial resources. That kind of common sense approach to budgeting has served Kansas well, and it can go a long way toward resolving the deficit at the federal level. If Kansas can balance its budget each and every year, as do the people of America, so too can the federal government.

In Kansas, we directed an Administration that has taken the initiative to provide Kansas children with the same opportunities for a sound fiscal future with which we were blessed. The budget we submitted to the state Legislature this year is the first in a generation that spends less than the year before. We have been able to pass along the savings to Kansas taxpayers in the form of meaningful tax relief—in excess of $1.4 billion over five years. We accomplished significant tax relief—reducing the burden on Kansas taxpayers—without neglecting those in

need of our help and support. Although this was a daunting and challenging task, the people of Kansas expected nothing less than courageous leadership from their elected officials. Similarly, the people of America expect nothing less from their President.

The future of America's children depends on your support of a balanced budget amendment. Please do not fail to make the most of the historic possibilities presented in the days ahead.

Sincerely,

BILL GRAVES,
Governor.
SHEILA FRAHM,
Lt. Governor, U.S. Senator Designate.

STATE OF LOUISIANA,
OFFICE OF THE GOVERNOR,
Baton Rouge, June 4, 1996.

Hon. WILLIAM J. CLINTON,
President of the United States,
Washington, DC.

DEAR MR. PRESIDENT: As I mentioned when you were here last week, Louisiana is a conservative state. That Louisiana's State Constitution requires the Legislature to pass and the Governor to sign a balanced budget is a strong reflection of these conservative values.

I would like to take this opportunity to request that you join me, a majority of our nation's governors, and eighty-three percent of all Americans in supporting a balanced budget amendment to the United States Constitution. A balanced budget requirement has been good for Louisiana, it has been good for your home state of Arkansas, and it would be good for the United States of America.

It is time for our elected officials in Washington to exercise the same degree of fiscal discipline that their colleagues in statehouses across the country do. I'm afraid that past history makes it all too clear that we will not get a balanced federal budget unless we require one constitutionally.

For the sake of our children and their children, to put their needs above those of the federal government in Washington, I urge you to announce your support for a balanced budget amendment today.

Sincerely,

M.J. ''MIKE'' FOSTER, JR.,
Governor.

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, MI, June 5, 1996.

Hon. WILLIAM J. CLINTON,
President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: This week Congress has the opportunity to pass a Balanced Budget Amendment that will truly change the way Washington does business.

Large deficits and public indebtedness undermine the growth of the economy and impose unnecessary and unfair burdens on our future generations. This may explain why the American people overwhelmingly support a Balanced Budget Amendment. Recent surveys indicate over 80% of those individuals polled support a Constitutional amendment to require a balanced budget, while only 16% said that they oppose this measure.

The Balanced Budget Amendment will force the federal government to take appropriate action to live within its means just as 49 of the 50 states must do. This action is necessary to prevent further burdens on our children and succeeding generations. A balanced budget plan would add $32 billion in disposable income to the U.S. economy, $88 billion in new investment and would yield up to 6.1 million new job opportunities with the confidence and assurance that real work and real wages bring.

Mr. President, I strongly urge you to join the majority of the nation's Governors and the nation's citizens in supporting the Balanced Budget Amendment. I encourage you to request Members of the Senate to support this measure when it comes up for a vote this week.

Thank you for your consideration on this matter.

Sincerely,

JOHN ENGLER,
Governor.

STATE OF NEW HAMPSHIRE,
OFFICE OF THE GOVERNOR,
Concord, NH, June 4, 1996.

Hon. WILLIAM CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As Governor of New Hampshire, I write to you today in support of the Balanced Budget Amendment to the United States Constitution.

The time has come to deal with the greatest threat to the well-being of Americans, the ability of our federal government to balance its budget without raising taxes and without sending unfunded mandates to be paid for by the citizens of our State. It must be done and I believe it is of tremendous importance that we do it now.

As a former Attorney General, one who has studied our nation's Constitution and loves it, I recommend amending it only after considerable reflection. I simply know of no other way to restore belief in our citizens that government can be responsive to the principles and values that made this country great. It is unfortunate that such an amendment is required, but it is clear that it is required.

New Hampshire does not have a balanced budget amendment, but no Governor has ever submitted an unbalanced budget. In New Hampshire, it is illegal for a department head to deficit spend.

New Hampshire has balanced budgets for 200 years without an income or sales tax. All governors share common problems and seek common solutions. In New Hampshire, however, balanced budgets are the norm, as they should be in Washington.

The Balanced Budget Amendment is a bold step, but the American people are ready for bold change. They have grown frustrated with excuses as to why the federal budget cannot be balanced. They have rejected the attitude that our children will somehow be able to pay for financial mismanagement.

This moment in history can return the United States to a policy of fiscal sanity. I respectfully urge you to move forward and support the Balanced Budget Amendment.

The American people will be with you.

Very truly yours,

STEPHEN MERRILL,
Governor.

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Santa Fe, NM, June 4, 1996.

President WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: I am writing to request your support of a balanced budget amendment in 1996. This would initiate an era of sound fiscal policy for the federal government and serve to make our nation stronger and our children's future more secure. To take a stand on this issue and work with Congress is to offer the American people a reason to again believe in the decision making ability of government.

The national debt, though often discussed in the abstract, is a very real danger. If you do not take measures to ensure a balanced budget amendment, this insidious threat to our nation's future will continue to grow without impediment. We must not let this opportunity go unanswered and I implore you to lead this country into a future secured by solid government policy. We cannot go forward without a balanced budget amendment.

Sincerely,

GARY E. JOHNSON,
Governor.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, NY, June 5, 1996.

Hon. WILLIAM JEFFERSON CLINTON,
President of the United States,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: I urge you, Mr. President, to support and actively work to pass the Balanced Budget Amendment to the Constitution offered by Senator Dole. This amendment calls for a balanced federal budget by the year 2002.

Passing a Balanced Budget Amendment is critical to America's strength as a world leader. Moreover, as elected officials, we have a special obligation to free our children and grandchildren from the mountains of government debt which are mortgaging their future. Approving a Balanced Budget Amendment would not only instill long-needed fiscal discipline in Washington, but also would lower interest rates, increase real disposable income for working families, and help create millions of new jobs.

Last year, despite virtual unanimous Republican support, the Balanced Budget Amendment failed in the Senate because of overwhelming Democrat opposition. In addition, you vetoed the only balanced budget bill passed by Congress in the last 26 years. However, it's not too late to correct the mistakes of the past and put our nation on sounder financial footing.

Again, I urge you, Mr. President, to support Senator Dole's Balanced Budget Amendment and actively lobby your party members to secure its passage.

Very truly yours,

GEORGE E. PATAKI,
Governor.

STATE OF NORTH DAKOTA,
OFFICE OF THE GOVERNOR,
Bismarck, ND, June 5, 1996.

The PRESIDENT,
The White House,
Washington, DC.

MR. PRESIDENT, I am writing today to express my support for the Balanced Budget Amendment.

All but one state in our United States has a requirement to balance its budget. In my home state of North Dakota, the legislature has made tough, hard, and sometimes unpopular decisions to balance its budget every biennium since statehood. It is only proper that our federal government in Washington take on that same responsibility to protect the future generations of our country.

The passage of the Congressional balanced budget plan would add $32 billion in real disposable income, $66 billion in new purchases, $88 billion in new investments, and over 100,000 new housing starts to the United States Economy while also providing up to 6.1 million new job opportunities.

In North Dakota the passage would mean a savings of $2,388 a year on payments for a 30-year mortgage on a $75,000 house; $1,026 in savings over the life of a 4-year loan on a $15,000 automobile; $1,891 in savings over the life of a 10-year student loan of $11,000—all totaled these savings would amount to $74,381 over the duration of the loans.

All Americans must be assured that their future and the future of their children are secure and that their needs are foremost in the

minds of our leaders in Washington. There is no better way to guarantee the citizens of North Dakota the bright future they deserve than to pass the Balanced Budget Amendment.

Sincerely,

EDWARD T. SCHAFER,
Governor.

STATE OF OKLAHOMA,
OFFICE OF THE GOVERNOR,
Oklahoma City, OK, June 4, 1996.

Hon. BILL CLINTON,
The White House.

DEAR MR. PRESIDENT: On Friday, May 31, at 4:59 p.m., the Legislature of the State of Oklahoma adjourned its 1996 session. Not once during that four-month session was there a moment of discussion about deficit spending. Not one penny was appropriated to pay interest on a state debt. No bill was passed that spent a cent in excess of actual state revenues—all because the Constitution of Oklahoma contains an amendment that requires a balanced budget.

The Balanced Budget Amendment to the United States Constitution will be considered in the Senate this week. I urge you to follow the examples of 49 of our 50 states—including Oklahoma and Arkansas—and support this effort to import common sense from the states to Washington.

Sincerely,

FRANK KEATING,
Governor.

STATE OF SOUTH CAROLINA,
OFFICE OF THE GOVERNOR,
Columbia, SC, June 5, 1996.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As the Senate prepares to reconsider the Balanced Budget Amendment, I write to express my strong support of this important legislation. The time has come for the federal government to abide by the same rules of fiscal responsibility that every family, business, and state government must follow.

The federal deficit imposes debilitating costs on both current and future generations. We must start setting priorities and make difficult decisions now for the sake of our children and our children's children. The longer that we avoid our responsibility to the American people, the more we put the prosperity of future generations at risk.

A balanced budget will result in lower interest rates, which will allow working families to keep more of their hard-earned money. With lower interest rates, more families will have the opportunity to own their own home, and businesses will be able to afford the capital investment to grow jobs.

Unfortunately, despite promises made in Washington, a balanced budget has not become law in decades. In fact, your veto of the first balanced budget in 26 years makes it imperative that the Congress pass a constitutional amendment to balance the federal budget. Your support for this amendment would give the citizens of South Carolina and across the nation the opportunity to vote on the nation's fiscal integrity and the future of our country. Only a constitutional amendment will provide the ironclad discipline needed to restore fiscal responsibility.

You have historically been in favor of a balanced budget, as evidenced by your recent budget proposal, and as a former governor, you had to balance your own state books every year. By expressing your public support for the Balanced Budget Amendment, you would prove your convictions to the American public, over eighty percent of whom strongly support such an amendment.

I respectfully ask you to urge the Senate to pass the Balanced Budget Amendment and put America on the path of prosperity and growth for generations to come.

Sincerely,

DAVID M. BEASLEY,
Governor.

COMMONWEALTH OF VIRGINIA,
OFFICE OF THE GOVERNOR,
Richmond, VA, June 4, 1996.

Hon. WILLIAM J. CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The United States Senate is preparing to consider again the Balanced Budget Amendment to the U.S. Constitution. Often in the past, you have voiced your commitment to balancing the federal budget, and I sincerely hope that you will couple your words with actions and publicly and energetically encourage the Senate to approve the Balanced Budget Amendment now.

As an original sponsor of the Kyl-Allen Balanced Budget Amendment in the United States House of Representatives, I was most disappointed last year when the Senate failed by one vote to send this constitutional amendment to the States for ratification. The Balanced Budget Amendment is not a unique or unproven concept. As a former governor, you are no doubt aware that virtually every State operates under the discipline of a balanced budget requirement. The fact is, it works. With our requirement for a balanced budget, Virginia is one of only four States with a AAA Bond Rating for our careful and limited use of debt.

The people of the United States recognize that passage of the Balanced Budget Amendment is an essential discipline for getting the federal government on the path toward fiscal responsibility. It is also important to improving the quality of life for working families in Virginia and across America.

A family's cost of living is greatly affected by interest rates. The lower interest rates would accompany a balanced budget. Working Americans deserve to be able to keep more of their hard-earned money and put it to work for their families. As borrowing costs drop, housing becomes more affordable as well. A 2% drop in interest rates would save the average homeowner between $1,600 and $1,800 per year in mortgage payments. More affordable housing means more home ownership which is the American Dream. And a healthy housing industry increases job opportunities for electricians, plumbers, carpenters, excavators, forestry products, appliance manufacturers, Realtors, and many more that are associated with the housing industry.

Our government should be helping, not hindering, more individuals and families to realize the American dream of homeownership. We can begin to do so by making the balanced budget the law of the land in Washington, as it is in our States. Please put the force of your office behind a balanced budget for America—let us in Virginia vote on this important Amendment.

With kind personal regards, I remain,

Sincerely,

GEORGE ALLEN,
Governor.

STATE OF WYOMING,
OFFICE OF THE GOVERNOR,
Cheyenne, WY, June 5, 1996.

Hon. WILLIAM J. CLINTON,
President of the United States,
Washington, DC.

DEAR MR. PRESIDENT: Next week the 104th Congress will have it's final opportunity this year to pass a Balanced Budget Amendment. Once allowed to become law, this Amendment will truly change the way our country does business.

It is time for our elected officials in Washington to exercise the same degree of fiscal responsibility that state governments have adopted. I am concerned that if Washington continues with the current financial practices, future generations will have a financial burden beyond repair. History has made it all too clear that we will not balance the federal budget unless required by the constitution.

The United States spends 11 times more money to pay for interest accrued on the national debt than we do on education, and twice as much on interest than on all of our entitlement programs. In 1993 the state of Wyoming recognized a need for the Governor to submit the budget under estimated revenues. It is important to realize the need for a balanced budget, and to make the sacrifices necessary to achieve that goal. Now is the time for action!

In Wyoming, our constitution requires a balanced budget each biennium. The people of Wyoming cannot understand why such a requirement at the federal level is even questioned. Your support for the Balanced Budget Amendment would do much to bring accountability back to the federal government. I trust we in Wyoming can count on your support.

I can not stress enough the importance of passing the Balanced Budget Amendment. In order to achieve the balanced budget that you have proposed, the people of the United States deserve the discipline of a constitutional amendment. I urge you to contact members of your party in the Senate, and request that they vote for the Balanced Budget Amendment!

Sincerely,

JIM GERINGER,
Governor.

MEDICARE

Mr. COVERDELL. Mr. President, the whole Nation is waking to yet another trustees' report that should paint a very bright, vivid red light to every American. We have gone past the yellow light. I would like to share with the Senate just a few facts that have recently been published by the Coalition To Save Medicare.

Fact: Medicare's hospital fund will be broke in less than 5 years.

Fact: Because Medicare reform was not enacted last year, $133 billion more in savings is needed to meet the trustees' own minimum requirements.

In other words, when the President of the United States vetoed the attempt to keep Medicare solvent, to make it solvent for almost 20 years, to improve the options that seniors would have, to increase the investment in it 70 to 80 percent, the net effect is in 1 year we have made the job of solving and saving Medicare $133 billion more difficult.

Fact: Each day, Medicare is spending $25 million more than it takes in.

Fact: Without reform, a working American's annual payroll taxes will have to increase between $1,880 and $3,185 immediately to assure the long-term health of Medicare.

Fact: Maintaining the current system as it is for the long term without reform or tax increases will require immediately increasing the annual hospital deductible a senior pays to between $5,380 and $6,540.

Fact: Without reform, a working American's annual payroll taxes must

immediately increase to between $1,229 and $1,564 just to ensure that Medicare survives 25 years.

Mr. President, as I have told Georgians and Americans all across the country, the era of passing these problems on to another generation is over. It is absolutely over. Within a decade, Social Security, Medicare, Medicaid, Federal retirement and the interest only on our debt will consume 100 percent of the U.S. Treasury. It does not take a rocket scientist or a brilliant economist from one of our major universities to understand that that will wreak havoc on every family and every business. It will destabilize the world's greatest democracy.

This problem is going to get worked out. We are either going to take charge of it and lead our way out of it or we are going to stumble into it, and world markets and the economy will come crashing down on our heads.

I am reading from the Washington Times, Wednesday, June 5, 1996. It opens by saying:

> The Clinton administration today is expected to confirm that Medicare will go bankrupt by 2001, but prospects for resolving the problem this year look dim.

So, as we approach this train wreck, we continue to turn away from it and we run the risk of destabilizing the lives of millions of Americans. But the more important thing that I read in this article is the following. It reads, ''Democrats said they are not that concerned that Medicare will go broke,'' that is interesting, ''because Congress has always acted at the last minute to avert a disaster.''

The last minute part is correct. But the averting of a disaster is not. We have been moving with each succeeding year towards an ultimate disaster which has been called to our attention, once again, by the trustees. It says:

> ''I think Congress would default on Treasury bonds first,'' said Rep. Pete Stark, California Democrat.

It is interesting. Mr. Stark is the ranking member on the subcommittee on Ways and Means that deals with entitlements. This is a most interesting statement that he makes on this dilemma. He says:

> Mr. Stark acknowledged the $90 billion Democratic plan does not go far enough to reform the system, even in the near-term, and does not even begin to address what all sides say is a massive insolvency problem in 2010, when the Baby Boom generation starts to retire.

He goes on to say, and this is the key:

> To fix the longer-term problem, Mr. Stark said, Democrats probably would resort either to a government takeover of the hospital and health-insurance payment system or raising payroll taxes.

I hope everybody across our land has a chance to hear that solution. This is the solution he is offering up that produced the 104th Congress. This was the idea that the administration and the President and the First Lady took all across the country and said, look, the way to solve this problem is to have the Government take over medicine, have the Government take over another 17 percent of the American economy. And Americans said, ''No way.'' They were so offended by this idea that they turned the majority of the Congress over.

But the idea has not left, and I believe that this statement by Representative Stark means that we are going to enter into, through the issue of Medicare, the whole question of our plan to modernize it, to create new options, to keep it in the private sector, to make it competitive, versus their plan, which is the old standard status quo, let the Government take it over and increase the economic burden on the American family and the American worker.

Mr. President, an average family in the State of Georgia today makes $45,000 a year. By the time the Federal Government gets through going through their checking account, and the State government, and FICA for Social Security and Medicare, and their cost of regulatory reform, and their share of the higher interest rates because of the national debt, they end up with 49 percent of their wages to run their families' business. The suggestion that Mr. Stark is coming forward with is: That is not enough. Let us take another 10 or 20 percent out of their checking accounts.

What America needs is for Washington to return these resources to the checking accounts of the average American family and to reject the administration and Mr. Stark's everlasting plea for more government and bigger government and more taxes and higher taxes.

I think Mr. Stark, knowingly or unknowingly, wittingly or unwittingly, has drawn an enormous benchmark for us to debate over the balance of this year and the balance of this Congress as we talk about Medicare and talk about life in the American family and community in this great United States of America.

Mr. President, I yield the floor and 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. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(the nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following bill, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated

H.R. 3448. An act to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act; to the Committee on Finance.

The following bill was reported by the Committee on Armed Services, with amendments, and referred to the Committee on Governmental Affairs for a 30-day period provided in section 3(b) of Senate Resolution 400, 94th Congress, except that if the committee fails to report the bill within the 30-day limit, the Committee shall be automatically discharged from further consideration of the bill in accordance with that section:

S. 1718. A bill to authorize appropriations for fiscal year 1997 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

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–2886. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 95–13; to the Committee on Appropriations.

EC–2887. A communication from the Secretary of Labor, transmitting, pursuant to law, the report entitled ''Effects of the Immigration Reform and Control Act: Characteristics and Labor Market Behavior of the Legalized Population Five Years Following Legalization''; to the Committee on the Judiciary.

EC–2888. A communication from the Assistant Attorney General, transmitting, a draft of proposed legislation to strengthen federal child protection laws; to the Committee on the Judiciary.

EC–2889. A communication from the Assistant Attorney General, transmitting, a draft of proposed legislation entitled ''The Anti-Gang and Youth Violence Control Act of 1996''; to the Committee on the Judiciary.

EC–2890. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled ''The Runaway and Homeless Youth Amendments of 1996''; to the Committee on the Judiciary.

EC–2891. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the final rule on longshore activities by alien crewmembers, received on May 28, 1996; to the Committee on the Judiciary.

EC–2892. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a determination relative to financing the exports of goods or services to the People's Republic of China; to the Committee on Banking, Housing, and Urban Affairs.

EC–2893. A communication from the President of the United States, transmitting, pursuant to law, a notice concerning the continuation of the national emergency with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Bosnia Serbs; to the Committee on Banking, Housing, and Urban Affairs.

EC–2894. A communication from the Under Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule relative to exports of Alaskan north slope crude oil, (RIN0694-AB44) received on May 29, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–2895. A communication from the Secretary of the Securities and Exchanges Commission, transmitting, pursuant to law, the report of a final rule relative to obligations of officers, directors and principal security holders, (RIN3235-AF66) received on May 31, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–2896. A communication from the Secretary of the Securities and Exchanges Commission, transmitting, pursuant to law, the report of a final rule relative to phase one recommendation of task for on disclosure simplification, (RIN3235-AG75) received on May 31, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–2897. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the staff report for calendar year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC–2898. A communication from the Executive Director of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the annual report of the Resolution Funding Corporation for calendar year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC–2899. A communication from the Chairperson of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC–2900. A communication from the Director, Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health Human Services, transmitting, pursuant to law, the report of four rules including a rule entitled ''Food and Drugs,'' received on June 3, 1996; to the Committee on Labor and Human Resources.

EC–2901. A communication from the Acting Commissioner of the National Center For Education Statistics, Office of Educational Research and Improvement, Department of Education, transmitting, pursuant to law, a report entitled ''The Condition of Education: 1996''; to the Committee on Labor and Human Resources.

EC–2902. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report entitled ''The Model Comprehensive Program for the Treatment of Substance Abuse Metropolitan Area Treatment Enhancement System''; to the Committee on Labor and Human Resources.

EC–2903. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans' Affairs, transmitting, pursuant to law, the rule entitled ''Delegations of Authority,'' (RIN2900-AI10) received on June 3, 1996; to the Committee on Veterans' Affairs.

EC–2904. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans' Affairs, transmitting, pursuant to law, the rule entitled ''Veterans Education,'' (RIN2900-AH78) received on June 3, 1996; to the Committee on Veterans' Affairs.

EC–2905. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans' Affairs, transmitting, pursuant to law, the rule entitled ''Loan Guaranty,'' (RIN2900-AI01) received on June 3, 1996; to the Committee on Veterans' Affairs.

EC–2906. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans' Affairs, transmitting, pursuant to law, the rule entitled ''Post-Vietnam Era Veterans' Educational Assistance,'' (RIN2900-AH64) received on June 3, 1996; to the Committee on Veterans' Affairs.

EC–2907. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC–2908. A communication from the Commissioner of Social Security, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2909. A communication from the Chairman of the Consumer Product Safety Commission, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2910. A communication from the Chairman of the Board of Governors of the Federal Reserve System, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2911. A communication from the Chairman of the Board of the National Credit Union Administration, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2912. A communication from the Chairman of the U.S. Securities and Exchange Commission, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2913. A communication from the Chairman of the U.S. International Trade Commission, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2914. A communication from the Director of the U.S. Information Agency, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2915. A communication from the Chairman of the U.S. Equal Employment Opportunity Commission, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2916. A communication from the Secretary of Agriculture, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2917. A communication from the Secretary of the Interior, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2918. A communication from the Chairman of the U.S. Federal Trade Commission, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2919. A communication from the Chairman of the National Science Board, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2920. A communication from the Chairman of the Board of the Pension Benefit Guaranty Corporation, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2921. A communication from the Chief Executive Officer of the Corporation For National Service, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2922. A communication from the Acting Administrator of the General Services Administration, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2923. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-269 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2924. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-270 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2925. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-271 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2926. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-272 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2927. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-273 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2928. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-274 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–2929. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to assist in the reform of travel management in the Federal Government; to the Committee on Governmental Affairs.

EC–2930. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation to authorize subsistence payment for employees performing certain dues; to the Committee on Governmental Affairs.

EC–2931. A communication from the Director of the Office of Government Ethics, transmitting, pursuant to law, the rule entitled ''The Extension and Revocation of Post-Employment Waiver,'' received on May 31, 1996; to the Committee on Governmental Affairs.

EC–2932. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of General Accounting Office reports from April 1996; to the Committee on Governmental Affairs.

EC–2933. A communication from Chairman of the Farm Credit System Insurance Corporation, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Governmental Affairs.

EC–2934. A communication from the Office of the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''The Performance Review of the Board of Real Property Assessments and Appeals for the District of Columbia for Tax Year 1996 Appeals''; to the Committee on Governmental Affairs.

EC–2935. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule regarding announcement 96-53, received on June 3, 1996; to the Committee on Finance.

EC–2936. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule regarding Revenue Procedure 96-35, received on May 31, 1996; to the Committee on Finance.

EC–2937. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule regarding Revenue Ruling 96-31, received on May 31, 1996; to the Committee on Finance.

EC–2938. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule regarding Revenue Ruling 96-32, received on May 31, 1996; to the Committee on Finance.

EC–2939. A communication from the Commissioner of Social Security, transmitting, a draft of proposed legislation regarding the Social Security Act; to the Committee on Finance.

EC–2940. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report concerning participation, assignment, and extra billing in the Medicare program; to the Committee on Finance.

EC–2941. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report entitled ''Health Care Financing Administration Staff Summary''; to the Committee on Finance.

EC–2942. A communication from the Chief of Staff, Office of Social Security, transmitting, pursuant to law, the report of a final rule regarding Federal Old-Age, Survivors and Disability Insurance (RIN0960-AE43), received on June 3, 1996; to the Committee on Finance.

EC–2943. A communication from the Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a final rule entitled ''Removal of Toshiba Sanction Regulations,'' (RIN1515-AB96) received on May 31, 1996; to the Committee on Finance.

EC–2944. A communication from the Attorney-Advisor Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a final rule entitled ''Federal Process Agents of Surety Companies,'' (RIN1510-AA49) received on May 31, 1996; to the Committee on Finance.

EC–2945. A communication from the Secretary of the Department of the Treasury, transmitting, pursuant to law, the report of the Treasury Forfeiture Fund for fiscal year 1995; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services, with amendments:

S. 1718. An original bill to authorize appropriations for fiscal year 1997 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 104–277).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation:

James E. Hall, of Tennessee, to be Chairman of the National Transportation Safety Board for a term of 2 years. (Reappointment)

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PRESSLER. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably two nomination lists in the Coast Guard, which were printed in full in the CONGRESSIONAL RECORDS on April 19, and May 22, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of April 19, and May 22, 1996, at the end of the Senate proceedings.)

The following officers of the United States Coast Guard to be members of the Permanent Commissioned Teaching Staff at the Coast Guard Academy in the grade of lieutenant commander:

Vincent Wilczynski John B. McDermott

The following officer of the United States Coast Guard to be a member of the Permanent Commissioned Teaching Staff at the Coast Guard Academy in the grade of lieutenant:

James R. Dire

The following individual for appointment as a permanent regular commissioned officer in the United States Coast Guard in the grade of lieutenant:

Andrew J. Sorenson

By Mr. THURMOND, from the Committee on Armed Services:

Robert E. Anderson, of Minnesota, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 2001.

Lonnie R. Bristow, of California, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 2001.

Shirley Ledbetter Jones, of Arkansas, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring May 1, 2001.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. GREGG (for himself, Mr. HELMS, and Mr. SHELBY):

S. 1845. A bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities; to the Committee on Rules and Administration.

By Mr. KYL:

S. 1846. A bill to permit duty free treatment for certain articles provided by the Max Planck Institute for Radioastronomy and the Arcetri Astrophysical Observatory to the Steward Observatory; to the Committee on Finance.

By Mr. AKAKA (for himself and Mr. SMITH):

S. 1847. A bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory cattle, sheep, swine, horses, mules, or goats, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. BOXER (for herself, Mr. INOUYE, Mrs. FEINSTEIN, and Mr. KENNEDY):

S. 1848. A bill to amend the Internal Revenue Code of 1986 to encourage the production and use of clean-fuel vehicles, and for other purposes; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. MOYNIHAN):

S. 1849. A bill to make technical corrections in trade legislation; to the Committee on Finance.

By Mr. STEVENS (for himself, Mr. WARNER, Mr. DODD, Mr. BENNETT, Mrs. BOXER, Mr. BREAUX, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. D'AMATO, Mr. GRAHAM, Mr. HEFLIN, Mrs. HUTCHISON, Mr. JEFFORDS, Mr. KERRY, Mr. LIEBERMAN, Mr. LOTT, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. ROBB, Mr. SIMON, and Ms. SNOWE):

S. 1850. A bill to provide for the recognition and designation of the official society to administer and coordinate the United States of America activities to commemorate and celebrate the achievements of the second millennium, and promote even greater achievements in the millennium to come by endowing an international cross-cultural scholarship fund to further the development and education of the world's future leaders; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS (for himself, Mr. FEINGOLD, Mr. MACK, and Mr. SMITH):

S.J. Res. 56. A joint resolution disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GREGG (for himself, Mr. SHELBY, and Mr. HELMS):

S. 1845. A bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities; to the Committee on Rules and Administration.

THE UNION MEMBER PROTECTION ACT

● Mr. GREGG. Mr. President, I introduce the Union Member Protection Act. As you may know, the unions are mounting an unprecedented campaign this year to defeat Republican Members of Congress. The main source of the money for this campaign comes from compulsory union dues levied upon rank-and-file union members, as well as nonunion members who work in union shops. This past March the AFL–CIO, at a unique convention in Washington, DC, voted to levy a special assessment on every dues payer of 15 cents monthly per person to raise $25 million of the $35 million goal.

In a recent survey of 1,000 rank-and-file union members, commissioned by Americans for a balanced budget and conducted by the Luntz Research Cos. 58 percent of the union members were not aware that the national labor unions were using mandatory monthly dues on a $35 million campaign to defeat Republican Members of Congress. When told of this, 62 percent opposed the use of their union dues for this political effort. This is not surprising considering that nearly 40 percent of union members voted Republican in the 1994 elections.

When discussing the pledge of $35 million from the unions for the purpose of unseating Republicans, Vice President GORE stated, ''One group with a conscience connected to working families can overpower hundreds of thousands of interests working against the interest of working families.'' Conscience? Washington union bosses are living extravagant lifestyles, financed from workers' paychecks and, yet, they would have people believe that Republicans are the ones out of touch with rank and file working families. Union bosses have spent $2.3 million on the AFL–CIO's private airplane, $1.9 million to decorate the personal home and conference center of a union boss, $250,000 for a Washington, DC, condominium, and more than $100,000 for a union boss' funeral. These very same union bosses are responsible for President Clinton exempting the labor unions' health care plans from his proposed Government takeover of the Nation's health care system, revoking President Bush's executive order requiring unions to notify their rank-and-file members of their right not to fund union political activities, and vetoing numerous bills opposed by the Washington union bosses, including a balanced budget, family tax cuts, and welfare reform. It's no wonder that 66 percent of union members prefer the leadership of their local chapters.

My bill, the Union Member Protection Act, will allow no dues, fees, or other money required as a condition of employment to be collected from an individual for use in noncollective-bargaining activities unless the individual has given prior written consent. Noncollective-bargaining activities would include: First, nonpartisan registration and get-out-the-vote campaigns and second; the establishment, administration, and solicitation of contributions to a separate fund to be used for political purposes. The written consent could be revoked in writing at any time.

Mr. President, when a meeting of union leaders in Washington, DC, can result in the bosses' effectively imposing a tax increase on the union workers across the country so that the union bosses can have millions of dollars at their disposal to pursue their personal political agendas, the collective-bargaining power that Congress granted the unions is being abused. When we know that nearly two-thirds of the union workers are not even aware they are being so taxed and disagree with the D.C. bosses' politicizing of their own dues in this manner, the abuse becomes so acute that it calls out for reform. My bill is a simple reform: It gives individual workers the direct right to say ''yes'' or ''no'' whenever union bosses ask them to finance activities that fall outside the scope of collective bargaining. If the union bosses here in Washington are so confident their workers agree with their politics, they should have no problem with this bill. We'll soon see how confident they are.

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. 1845

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 ''Union Member Protection Act''.

SEC. 2. WRITTEN CONSENT REQUIRED TO USE UNION DUES AND OTHER MANDATORY EMPLOYEE FEES FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by adding at the end the following new paragraph:

''(8)(A) No dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment shall be collected from an individual for use in activities described in subparagraph (A), (B), or (C) of paragraph (2) unless the individual has given prior written consent for such use.

''(B) Any consent granted by an individual under subparagraph (A) shall remain in effect until revoked and may be revoked in writing at any time.

''(C) This paragraph shall apply to activities described in paragraph (2)(A) only if the communications involved expressly advocate the election or defeat of any clearly identified candidate for elective public office.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts collected more than 30 days after the date of the enactment of this Act.●

By Mr. KYL:

S. 1846. A bill to permit duty free treatment for certain articles provided by the Max Planck Institute for Radioastronomy and the Arcetri Astrophysical Observatory; to the Committee on Finance.

TARIFF EXEMPTION LEGISLATION

● Mr. KYL. Mr. President, I introduce legislation today to permit duty-free treatment for certain structures, parts, and components provided by the Max Planck Institute to University of Arizona's submillimeter telescope and provided by the Arcetri Astrophysical Observatory for the University of Arizona's large binocular telescope [LBT]. This legislation will help ensure the continued progress of astronomy in the United States and in Arizona.

To advance the potential of submillimeter astronomy, the Steward Observatory of the University of Arizona and the Max Planck Institute in Germany are collaborating on the construction and operation of a dedicated submillimeter telescope in Arizona. The University of Arizona has unique capabilities in large glass optics, instrumentation, and mountaintop sites; the Max Planck Institute in development of large, precise radio astronomy telescopes.

The SMT is the highest accuracy radio telescope ever built. And the SMT project has fostered an effective collaboration between an American University, a German national research laboratory and high-technology industries in both Germany and America.

The Tariff and Trade Act of 1984 provided a waiver of tariffs for equipment and materials provided by the Max Planck Institute. An extension of the waiver is necessary to further develop custom instrumentation not available from any U.S. producer. An extension of the waiver is also necessary to allow the calibration and repair of the equipment required by the project.

In addition, the University of Arizona has collaborated with Arcetri Astrophysical Observatory in Florence, Italy, to build the large binocular telescope. The scientific goals of the LBT include studies of the early universe and the formation of galaxies more than 10 billion years ago. The very high sensitivity and spatial resolution for the LBT will make it the most powerful instrument in the world for this kind of astronomical research.

This legislation will also provide duty-free treatment for components

that cannot be obtained in the United States for construction of the University of Arizona's large binocular telescope.

At a time when Federal budget constraints have made belt-tightening necessary, these tariff exemptions are important to the continued success of scientific research.●

By Mrs. BOXER (for herself, Mr, INOUYE, Mrs. FEINSTEIN, and Mr. KENNEDY):

S. 1848. A bill to amend the Internal Revenue Code of 1986 to encourage the production and use of clean-fuel vehicles and for other purposes; to the Committee on Finance.

THE CLEAN FUEL VEHICLE ACT OF 1996

Mrs. BOXER. Mr. President, today I want to talk about choices in transportation. Most Americans who travel to work get there by car, some perhaps by bus or commuter rail. Some even fly by jet airplane. These are all choices in transportation modes, but they all have one thing in common: oil.

As we enter the 21st century, we must expand our choices in how we power transportation in this country. The percentage of total energy use devoted to transportation is now at its highest level ever. Transportation accounts for two-thirds of the country's total petroleum use, and transportation is 97 percent dependent on petroleum.

Americans are traveling by car more and more. The total number of vehicle miles traveled in California has increased by 10 percent since 1991. Meanwhile, fuel economy has decreased for the second year in a row.

This dependence on petroleum puts our economy foolishly at risk. The arteries of our economy run on oil; and as we have seen with the latest gasoline price hikes, clogged arteries can cause heart problems in this economy.

The cost of our oil addiction is paid not just at the pump but at our hospitals and doctors' offices.

According to the Coalition for Clean Air, diesel exhaust alone has been associated with up to 30,000 lung cancer deaths in California. Think about this: thirty thousand painful, premature deaths from one source in one State.

In order to develop transportation choices that improve our health and wean us from the oil pump, we must develop real incentives for buyers to consider alternatively fueled vehicles.

We began to do that in a real meaningful way in Congress in 1992 with the Energy Policy Act. The modest incentives in that law helped to almost double the number of alternatively fueled vehicles on the road. To continue this trend, we need to build on our current incentives and really spur the market for clean-fuel vehicles.

That is why I am introducing, with Senators INOUYE, FEINSTEIN, and KENNEDY, the Clean Fuel Vehicle Act of 1996. This bill provides a set of temporary, targeted tax incentives designed to spur the market for clean-fuel vehicles by making them cost competitive with fossil-fueled vehicles.

Increased use of zero-emission or low-emission vehicles will reduce the Nation's dependence on foreign oil, reduce harmful transportation emissions, and stimulate market demand for high-technology vehicles and components.

First, my bill exempts electric vehicles [EV's] and other clean-fuel vehicles from the luxury tax and from the depreciation on luxury automobiles. This corrects a ludicrous inconsistency in current tax law. The law now provides a 10 percent tax credit of up to $4,000 on the purchase of an EV. At the same time, however, a luxury tax is imposed if the total price of the car exceeds $32,000. In effect, our current stimulus program puts a tax break into one pocket and takes it out of the other.

Second, my bill will allow the entire cost of an EV to be depreciated over a 5-year span. Under current law, only the first $3,000 or so of the purchase price may be depreciated over 5 years; the remaining cost must be recovered over a much longer period.

Third, the Boxer bill lifts the Government use restriction on tax incentives, giving a private business that leases EV's to a Government agency the same tax incentives it gets for leasing to a private interest. Because of their great size and visibility, Government fleets are the initial target market for clean-fuel vehicles.

Fourth, my bill eliminates an oversight in the 1992 Energy Act that allows an electric-powered bus to take advantage of only the existing $4,000 tax credit. The bill would make electric buses also eligible for the $50,000 tax deduction available to other clean-fuel buses. This tax deduction would be greater than the $4,000 tax credit, especially for urban transit buses.

Finally, my bill overturns a 1995 IRS decision to tax liquified natural gas [LNG] as a liquid fuel similar to diesel.

LNG holds the most promise as an alternative fuel for heavy-duty transportation such as trucks and locomotives. It is abundant and cheaper than oil, and it contains more energy per pound than gasoline or diesel fuel. LNG is cooled to an extreme temperature whereas its chemical cousin, compressed natural gas [CNG] is pressurized for storage. Both perform the same in a vehicle's engine. The advantage for LNG is less volume needed for on-board storage, which is important for heavy-duty vehicles such as trucks and buses. Lowering the tax on LNG is an important step for putting clean-fuel trucks and buses on California highways.

The IRS ruling put LNG at a tremendous cost disadvantage, which might well doom the emerging market for this clean-burning fuel. The IRS ruled that since LNG was not specifically mentioned in the 1993 legislation which set the tax rate for CNG, it must be an other liquid fuel used in motor vehicle transportation under IRC section 4041(a), even though LNG is exactly the same as CNG when it enters an engine. The tax on gas is levied on 1 million cubic feet rate. If you do the math that provides the per gallon equivalence, it reveals that the IRS ruling places an effective tax rate of 31.5 cents per gallon, diesel, equivalent on LNG, a disparity of 25.6 cents when compared to the tax on CNG. In fact, this tax rate places LNG 7.1 cents above the tax on diesel, the very fuel for which LNG is the clean-burning alternative.

As you can see, the provisions in the Boxer Clean Fuel Vehicle Act are based on common sense:

Don't give clean-fuel vehicles a small tax break and then turn around and tax them as luxury vehicles;

Give electric buses the same tax deduction provided other clean-fuel buses; and

Make the taxes on natural gas fair and consistent and let LNG be a real competitor to diesel.

Finally, this bill says: Let's get serious and provide a significant tax credit for those who buy electric vehicles. And let's encourage leasing arrangements with local governments by allowing private companies to obtain the tax breaks and pass them to the governments through lower costs.

As anyone who has been gouged at the gas pump recently can tell you, it is high time to break oil's stranglehold on American consumers. To do that, we must help provide them with choices.

The Boxer bill provides a jump-start for clean-fuel vehicles, not a permanent subsidy. All of the tax incentives in my bill will expire at the end of the year 2004. By then, the clean-fuel vehicle market will be on its own, and we can enjoy a cleaner, healthier 21st century.

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. 1848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Clean-Fuel Vehicle Act of 1996''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. EXEMPTION OF ELECTRIC AND OTHER CLEAN-FUEL MOTOR VEHICLES FROM LUXURY AUTOMOBILE CLASSIFICATION.

(a) IN GENERAL.—Subsection (a) of section 4001 (relating to imposition of tax) is amended to read as follows:

''(a) IMPOSITION OF TAX.—

''(1) IN GENERAL.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds the applicable amount.

''(2) APPLICABLE AMOUNT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the applicable amount is $30,000.

''(B) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—In the case of a passenger vehicle which is propelled by a fuel which is not a clean-burning fuel to which is installed qualified clean-fuel vehicle property (as defined in section 179A(c)(1)(A)) for purposes of permitting such vehicle to be propelled by a clean-burning fuel, the applicable amount is equal to the sum of—

''(i) $30,000, plus

''(ii) the increase in the price for which the passenger vehicle was sold (within the meaning of section 4002) due to the installation of such property.

''(C) PURPOSE BUILT PASSENGER VEHICLE.—

''(i) IN GENERAL.—In the case of a purpose built passenger vehicle, the applicable amount is equal to 150 percent of $30,000.

''(ii) PURPOSE BUILT PASSENGER VEHICLE.—For purposes of clause (i), the term 'purpose built passenger vehicle' means a passenger vehicle produced by an original equipment manufacturer and designed so that the vehicle may be propelled primarily by electricity.''

(b) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 4001 (relating to inflation adjustment) is amended to read as follows:

''(e) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—The $30,000 amount in subparagraphs (A), (B)(i), and (C)(i) of subsection (a)(2) shall be increased by an amount equal to—

''(A) $30,000, multiplied by

''(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the vehicle is sold, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $2,000, such amount shall be rounded to the next lowest multiple of $2,000.''

(2) Subparagraph (B) of section 4003(a)(2) is amended to read as follows:

''(B) the appropriate applicable amount as determined under section 4001(a)(2).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and installations occurring and property placed in service on or after July 1, 1996.

SEC. 3. GOVERNMENTAL USE RESTRICTION MODIFIED FOR ELECTRIC VEHICLES.

(a) IN GENERAL.—Paragraph (3) of section 30(d) (relating to special rules) is amended by inserting ''(without regard to paragraph (4)(A)(i) thereof)'' after ''section 50(b)''.

(b) CONFORMING AMENDMENT.—Paragraph (5) of section 179A(e) (relating to other definitions and special rules) is amended by inserting ''(without regard to paragraph (4)(A)(i) thereof in the case of a qualified electric vehicle described in subclause (I) or (II) of subsection (b)(1)(A)(iii) of this section)'' after ''section 50(b)''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service on or after the date of the enactment of this Act.

SEC. 4. LARGE ELECTRIC TRUCKS, VANS, AND BUSES ELIGIBLE FOR DEDUCTION FOR CLEAN-FUEL VEHICLES.

(a) IN GENERAL.—Paragraph (3) of section 179A(c) (defining qualified clean-fuel vehicle property) is amended by inserting '', other than any vehicle described in subclause (I) or (II) of subsection (b)(1)(A)(iii)'' after ''section 30(c))''.

(b) DENIAL OF CREDIT.—Subsection (c) of section 30 (relating to credit for qualified electric vehicles) is amended by adding at the end the following new paragraph:

''(3) DENIAL OF CREDIT FOR VEHICLES FOR WHICH DEDUCTION ALLOWABLE.—The term 'qualified electric vehicle' shall not include any vehicle described in subclause (I) or (II) of section 179A(b)(1)(A)(iii).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service on or after the date of the enactment of this Act.

SEC. 5. ELECTRIC VEHICLE CREDIT AMOUNT AND APPLICATION AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 30 (relating to credit for qualified electric vehicles) is amended by striking ''10 percent of''.

(b) APPLICATION AGAINST ALTERNATIVE MINIMUM TAX.—Section 30(b) (relating to limitations) is amended by striking paragraph (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 6. RATE OF TAX ON LIQUEFIED NATURAL GAS TO BE EQUIVALENT TO RATE OF TAX ON COMPRESSED NATURAL GAS.

(a) IN GENERAL.—Paragraph (3) of section 4041(a) (relating to diesel fuel and special motor fuels) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) IMPOSITION OF TAX.—

''(i) IN GENERAL.—There is hereby imposed a tax on compressed or liquefied natural gas—

''(I) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

''(II) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such gas under subclause (I).

''(ii) RATE OF TAX.—The rate of tax imposed by this paragraph shall be—

''(I) in the case of compressed natural gas, 48.54 cents per MCF (determined at standard temperature and pressure), and

''(II) in the case of liquefied natural gas, 4.3 cents per gallon.'', and

(2) by inserting ''OR LIQUEFIED'' after ''COMPRESSED'' in the heading.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 4041(a)(2) is amended by striking ''other than a Kerosene'' and inserting ''other than liquefied natural gas, kerosene''.

(2) The heading for section 9503(f)(2)(D) is amended by inserting ''OR LIQUEFIED'' after ''COMPRESSED''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.●

By Mr. STEVENS (for himself, Mr. WARNER, Mr. DODD, Mr. BENNETT, Mrs. BOXER, Mr. BREAUX, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. D'AMATO, Mr. GRAHAM, Mr. HEFLIN, Mrs. HUTCHISON, Mr. JEFFORDS, Mr. KERRY, Mr. LIEBERMAN, Mr. LOTT, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. ROBB, Mr. SIMON, and Ms. SNOWE):

S. 1850. A bill to provide for the recognition and designation of the official society to administer and coordinate the United States of America activities to commemorate and celebrate the achievements of the second millennium, and promote even greater achievements in the millennium to come by endowing an international cross-cultural scholarship fund to further the development and education of the world's future leaders; to the Committee on Banking, Housing, and Urban Affairs.

THE MILLENNIUM ACT OF 1996

● Mr. STEVENS. Mr. President, today I am introducing the Millennium Act of 1996 along with my colleagues, Senators WARNER, DODD, BENNETT, BOXER, BREAUX, BURNS, CHAFEE, COATS, D'AMATO, GRAHAM, HEFLIN, HUTCHISON, JEFFORDS, KERRY, LIEBERMAN, LOTT, MOSELEY-BRAUN, MURKOWSKI, PELL, PRESSLER, ROBB, SIMON, SNOWE, BRYAN, and COCHRAN.

This bill is a bipartisan effort to focus the Nation's attention on what may become one of the most anticipated events in history—the beginning of the new millennium. As the new millennium nears, this bill hopes to focus our attention on the achievements of the past 1,000 years and helps to foster educational opportunities for those who may take on leadership responsibilities in the next 1,000 years.

Since its founding in 1979 by a group of college students from around the world, The Millennium Society has worked to organize a global celebration and commemoration of humankind's achievements during this millennium and to endow a cross-cultural scholarship program to help educate future leaders. I believe it is the oldest organization in the country formed for the specific purpose of celebrating and commemorating the historical significance of the Millennium. The Society was incorporated as a 501(c)(3) nonprofit, charitable organization in 1984 for the purpose of establishing and administering the Millennium Society Scholarship Program.

The Millennium Society plans to organize and telecast ''Countdown 2000'' celebrations here and around the world to enable the international community to both view and participate in this historic moment. The Society hopes that the ''Countdown 2000'' events will raise at least $100 million to permanently endow its Millennium Scholars Program.

Unlike the Bicentennial Commission which required Federal funding, this bill asks for no Federal funds. Title I of this bill provides the Society with the official authorization and designation to administer Millennium activities both here and abroad and ensures that charitable proceeds go to the Millennium Scholars Program. The organizers hope that this designation can operate much like the U.S. Olympic Committee trademark. Mr. President, to the best of my knowledge, there are no other organizations that are competing for this designation nor have any indicated any specific interest in doing so.

The second title authorizes the minting of commemorative coins. This bill incorporates some of the language from the House Commemorative Coin reform legislative package, H.R. 2614. Specifically, the Millennium Society agrees not to derive any proceeds until all the

numismatic operation and program costs allowable to the program have been recovered by the U.S. Mint. Moreover, it embodies some of the key criteria and recommendations of the Citizens Commemorative Coin Advisory Commission. The minting of the Millennium coins would not begin until July of 1999. Further, through its own fund raising efforts, the Millennium Society will match the funds received through commemorative coin sales for its scholarship program.

The third title of the bill expresses the sense of Congress that the U.S. Postal Service should consider the issuance of stamps to commemorate the close of the second millennium and the advent of the third millennium.

The Millennium Society was established as an international charitable organization dedicated to giving students from around the world a chance to go on to college and to promote international fellowship and understanding among the world's peoples on an unofficial and nongovernmental basis.

I hope other Senators will join us in supporting this legislation to both commemorate the coming millennium and help provide scholastic funding for its future leaders.●

By Mr. HELMS (for himself, Mr. FEINGOLD, Mr. MACK, and Mr. SMITH):

S.J. Res. 56. A joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Finance.

THE CHINA MOST-FAVORED-NATION TREATMENT DISAPPROVAL JOINT RESOLUTION

Mr. HELMS. Mr. President, inasmuch as I believe Senators ought to take a position on the very significant question of a most-favored-nation designation of China by the United States, I, today, along with Senator FEINGOLD, Senator MACK, and others, offer a resolution of disapproval of President Clinton's renewal of most-favored-nation treatment for China.

As I indicated earlier, Senator FEINGOLD, Senator MACK, Senator SMITH of New Hampshire are principal cosponsors of this resolution of disapproval.

Now then, if there is somehow a valid reason for the United States—the world's leader in freedom—to offer the same trading terms to China that the United States offers to other nations that do honor their citizens' human rights and that do respect the rule of law, I cannot think of such a reason. None come to mind.

Mr. President, this is President Clinton's fourth renewal of MFN status for China. The President has covered the waterfront on this issue. He has been all over the lot. He has had his customary array of positions on MFN, as with countless other issues, and it is almost impossible to follow the President's ever-changing position without, as the saying goes, a printed program. As a candidate running for the Presidency in 1992, Mr. Clinton condemned the Bush administration for what candidate Clinton alleged was ''coddling dictators.'' But when Mr. Clinton took office in 1993, he decided, no, it was all right with him to support MFN to China—provided that China ''made progress'' in respecting human rights. The following year, 1994, when the President was forced to acknowledge that there had been no progress by China in human rights, President Clinton decided that human rights should not even be a factor in the annual MFN renewal.

Instead, the President said that he would advance human rights through a set of principles for United States businesses, enhanced international broadcasting to China, and what the President described as ''increased support for nongovernmental organizations working on human rights in China.''

That was 2 years ago, and we are still waiting for any evidence whatsoever that any of the Clinton initiatives have gone anywhere or accomplished anything. The business principles announced by the White House did not even mention China or its flagrant labor abuses.

We are still waiting for Radio Free Asia, which the administration has apparently renamed and is now calling it the Asia Pacific Network, or some such thing, because apparently somebody in the Clinton administration perhaps decided that the name Radio Free Asia may be a little bit confrontational insofar as the Communist Chinese are concerned. Well, as for the aid to nongovernmental groups supporting human rights in China, perhaps the administration would be willing at least to give us a hint as to what, if anything, has been done. They certainly have made no report on the matter one way or the other. I do not believe one thing has been accomplished.

This year, when the President announced his intention to renew MFN, he said the MFN decision ''isn't a referendum on all China's policies.'' I say, the heck it is not. Whether Mr. Clinton likes it or not, when the United States extends MFN to China, we are treating China like virtually all of our other trading partners. There are, of course, many other countries that deserve a stern line from the United States, but China is in a class by itself when it comes to the violations of human rights.

The fact is, Mr. President, that China's record on human rights, since the most recent MFN renewal, has continued to be disgraceful. Even the State Department's latest annual report on human rights stated that the Chinese regime ''continued to commit widespread and well-documented human rights abuses,'' abuse, I might add, which affect every kind of fundamental human rights imaginable.

According to many observers, religious persecution in particular intensified with the Government moving against independent Christian churches and Muslim groups. Challenges to the regime were not tolerated. Quoting the State Department, ''By year's end, almost all public dissent against the central authorities was silenced by intimidation, exile or imposition of prison terms or administrative detention.''

The annual MFN debate has become more than a mere referendum on China's policies; it is now a referendum on the Clinton administration's policies, and President Clinton made it so. In the future, in addition to requiring report on China's human rights record, perhaps we should consider an annual report on the Clinton administration's China policy.

During the past year alone, the Clinton administration decided to look the other way while China sent nuclear material to Pakistan because, the administration says, the Chinese leadership didn't know anything about it. Now come reports that China is seeking to acquire components of SS–18 missiles from Russia and the Ukraine. And I discussed that subject on this floor this past Tuesday.

China has fired missiles over the Taiwan Strait in a reckless and bellicose attempt to intimidate Taiwan's people as they established the first Chinese democracy. Despite explicit commitments to preserve Hong Kong's institutions and autonomy after 1997, the Chinese Government has announced it will abolish the elected legislature and made threats against the independent judiciary and civil servant of Hong Kong.

On Trade, it is the same story. Last year, the administration agreed to let China have a year to crack down on dozens of pirate compact disk factories. In April, the administration let it be known in news reports that President would be hard pressed to renew MFN if Beijing didn't follow through on its promise to end the pirating of copyrighted material. The regime has not followed through and the President renewed MFN anyway. Now we are waiting to see if the administration imposes $2 billion in sanctions against Chinese products, imported with United States.

Despite all of these egregious examples of Chinese misbehavior, we still pay China's bills. Our trade with China is one-way. The United States buys 40 of China's exports, but China severely limits United States access of United States exports to their markets. Last year, our exports to Taiwan, Hong Kong, and even Belgium were greater than our exports to China, even though those countries have a tiny fraction of China's population.

Still some businessmen contend that we need to trade with China. It will open up their society, they say. But what is going on in China is not free trade. The regime is turning over enterprises to the military so it can make money for itself and acquire technology from foreign businesses.

There is no rule of law to protect Chinese or foreign investors. Official corruption is widespread. A disagreement with a business partner who has official connections can land you in jail.

Renewing MFN again this year will be a sign to Beijing that the United States will do business as usual with China no matter what the consequences. I trust that Senators will bear this in mind as the days go by.

Mr. FEINGOLD. Mr. President, I thank the chairman of the Foreign Relations Committee, the Senator from North Carolina, for his leadership on the MFN issue and for the bipartisan effort which is needed because we have a bipartisan problem on the other side of this issue.

Mr. President, on May 31, President Clinton announced his intention to extend for another year most-favored-nation trading status to China, a decision I regret as objectionable and truly perplexing. Our previous President, former President Bush, took that position, and regrettably the majority leader who obviously seeks to be President, also takes the same position. So we have a very serious problem with a past administration, a current administration, and potentially another administration all turning away from this issue of whether or not China deserves most-favored-nation status. I think that is objectionable because it reaffirms an erroneous and even illogical choice made by the administration in 1994: that trade rights and human rights are not interrelated and, yet, that through ''constructive engagement,'' including easy trade terms, human rights will improve. The chairman of the committee and I argued then that this approach was naive and predicted that the dismal human rights situation in China would remain unchanged. Unfortunately and sadly, I and others concerned with the Beijing regime's callous disregard for the basic rights of any individual, have been proven right. De-linking MFN to improvement in human rights has resulted only in despair, prison, and abuse for those struggling in China to guarantee basic freedoms. The President' decision is perplexing because it seems so very clear to me and other, more expert, observers that the Chinese covet and need trade with the United States and that the only pressure they apparently respect is the prospect of economic sanctions. Words and exhortations to improve, to act decently and in conformity with international norms, are pocketed and ignored. It is not working. In fact, things have gotten worse.

So I rise today, Mr. President, to join in offering a resolution of disapproval of the President's action, an option available to the Congress under the 1974 Jackson-Vanik amendment. I recognize that this resolution will draw strong opposition. I know that the leadership in both Houses has already indicated its support for the President's announcement and we will soon be witness to a heavy lobbying effort by the administration and its allies in business and in the Congress to prevent our resolution from prevailing. So the odds are difficult. Of course, the odds are even more difficult for overriding a Presidential veto should we succeed. Nevertheless, I believe denying MFN-status to China is the right thing to do and should be pursued, not just for those suffering at the hands of the Chinese regime, but because it is in our national interest on many fronts: political, economic, and moral.

Let me turn first, Mr. President, to the state of human rights in China which the Senator from North Carolina has discussed in some detail. Two years after the administration's de-linking decision, the State Department's annual report on human rights described an abysmal situation, marked by increased repression. I quote here verbatim:

> Abuses included arbitary and lengthy incommunicado detention, forced confession, torture and mistreatment of prisoners. Prison conditions remained harsh. The government continues severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, movement and workers rights. The report continued that by the end of 1995 almost all public dissent had been silenced by intimidation, exile or imposition of prison terms or administrative detention.

In December 1995 we were witness to a concrete example of how little constructive engagement has accomplished. Wei Jingsheng, a prominent dissident who has dedicated his life to speaking out against the Chinese Government's repression of its own people, was hauled before a show court on charges of subversion. Wei Jingsheng had already spent 16 years looking at the inside of Chinese prison walls, but when he was finally released in 1993 he immediately and courageously took up again the cause of freedom. For his bravery and unstinting devotion to human rights Wei Jingsheng—after a 6-hour court proceeding—was sentenced to another 14 years. The administration issued a condemnation, of course, and an appeal for clemency. It is any surprise, Mr. President, that the Chinese took this statement for what it was—mere words—and that Wei Jingsheng languishes today in an abusive prison system?

The impunity with which the Chinese Government acts—and knows it can act—has a debilitating effect on dissent. We know from our own contacts that prominent intellectuals and common citizens temper their statements, carefully refraining from pronouncing on political topics.

I anticipate that administration apologists will point to recent reforms in the Chinese legal system as evidence that engagement is reaping benefits. But in a way that is like a Trojan Horse. Many of the reforms are meant to facilitate foreign investment by making clear the rules of the game and providing legal recourse for settling disputes. I imagine, however, that Wei Jingsheng and others take cold comfort in China's version of the Uniform Commercial Code. To be sure, reform of prison procedures and criminal laws are welcome developments. Perhaps they do point to an evolution in the rule of law in China. But unless they are put into practice—and they clearly are not if, as is the case in China, officials can detain individuals without charge or even acknowledgment of detention—the reforms are merely paper promises.

The list of human rights horrors goes on. In the past year, we have been witness to a well-documented report by Human Rights Watch/Asia detailing fatal neglect and abuse in Chinese orphanages. Tibetan religious sensitivities were trampled on when Chinese authorities usurped and gave to themselves the right to choose the Panchen Lama, second only to the Dalai Lama in Tibetan Buddhism, continuing a nearly 50-year pattern of persecution and repression of the Tibetan people. In fact, the Chinese admitted only on June 1—and here we have truly the phenomena of a wolf in sheep's clothing—that they were holding under house arrest ''for his own protection'' the 7-year-old boy designated by Tibetan Buddhists as the true Panchen Lama.

Chinese contempt for construction engagement is evident in other fora: thee bald-faced attempted intimidation of Taiwan in March, sales of nuclear equipment to Pakistan, the utter disregard for agreements to end violation of U.S. intellectual property rights.

Is it possible to come to anything but this self-evident conclusion: ''constructive engagement'' has failed so far to improve Chinese human rights behavior. I would say the evidence justifies the exact opposite conclusion: human rights have deteriorated and the regime emboldened to act recklessly in other areas vital to U.S. national interest.

In announcing his intent to extend MFN, President Clinton said that the decision, as the chairman has pointed out, ''was not a referendum on China's policies.'' That is what the President indicated. And, of course, I believe firmly that the President abhors the daily repression and abuse in China. That is not the issue. What is the issue is how a tortured United States policy is perceived in Beijing. Recently, the administration announced it was taking the Chinese regime at its word that it had no idea that a Chinese firm—operated by the military—was selling ring magnets to Pakistan for use in that country's nuclear weapons program. This announcement—coming on the heels of tough talk of sanctions for what seems to me to be a clear violation of China's 1992 pledge to abide by the obligations of the Non-Proliferation Treaty—must have evoked self-satisfied smiles in Beijing.

Why? Because the threat of sanctions for ignoring our policies on non-proliferation—at least in this instance—went by the boards, just as our insistence that China respect human

rights in return for normal trade relations were jettisoned in 1994. Looming on the horizon is the ballyhooed trade war over our threat to impose higher tariffs on some Chinese goods, in retaliation for China's blatant continuing violation of United States intellectual property rights, IPR. We have been down this road before. It was only in February 1995, when threatened with higher tariffs on $1 billion of its goods, that China signed an agreement to curb IPR piracy. In the 15 months since, by the estimate of the Motion Picture Industry Association, the harm to U.S. copyrighters has actually increased.

Let us see if we can briefly discern a pattern here. In 1992, the administration promises to link trade preferences to improvement in human rights. Two years later, that policy is abandoned. In 1995, our intelligence agencies discover Chinese violations of nonproliferation obligations. Sanctions are threatened and then abandoned in the face of promises to do better. Also, in 1995, the Chinese promise to do better on IPR and the problem worsens. Our response: more tough talk, and this time ''we mean it.'' If I were sitting in Beijing, I would come to the conclusion that the threats are empty, the rhetoric hollow.

Constructive engagement has failed to alter Chinese behavior to the good. So let us drop the pretense and cut to the quick. We trade with China and extend to it normal trading privileges because our Government believes it benefits American business, the United States economy, and, therefore, the national interest. We look the other way, in practice if not in word, on Chinese violations of human rights, nonproliferation—perhaps in the end even on IPR—because it is good for business. As I said at the outset, I find this rationale perplexing.

Our trading relationship with China is really quite one-sided. Writing in the New York Times, May 16, Alan Tonelson, a research fellow at the U.S. Business and Industrial Association, argued that our $34 billion trade deficit with China depresses job creation, wages and growth of the United States economy. This tremendous deficit—which has helped China amass more than $70 billion in foreign reserves, a war chest useful to riding out any trade war—is not the result of fair-trading practices. China is a protectionist nation, Mr. Tonelson notes, with some of the highest tariffs in the world. It dumps artificially low-priced goods—products manufactured by children and convicts—on American markets, hurting U.S. competitors. According to Mr. Tonelson, China extorts know how and high-skill jobs from American companies, such as Boeing, seeking to set up shop in China. Certainly China is a vast market, with tremendous potential. But our 1995 exports to China of $11.7 billion—only 0.12 percent of our GNP—were less than what we send to Belgium or Hong Kong.

On the other hand, we buy up to 40 percent of China's exports and that allows China to finance its industrial and military modernization program. We have the leverage to make them play by the rules of the game. Does it not make sense to use that leverage now, from a relative position of strength, than try to make the Chinese play fair 10, 20, or 30 years from now when by many projections it will be a legitimate superpower? As Mr. Tonelson notes, even the higher tariffs imposed on China under a non-MFN scheme would still be lower than China's tariffs on our products.

Mr. President, if mortal outrage at blatant abuse of human rights is not reason enough for taking a tough stance with China—and I believe it is and that the American people do as well—then let us do so on grounds of self-interest.

United States credibility is at stake; a firm stance which refuses China the privilege—not the right—of MFN will enhance United States stature and, in the long run, benefit United States business, the American consumer, and, we can hope, ultimately leads to an improvement in China's economic and political behavior.

ADDITIONAL COSPONSORS

S. 459

At the request of Mr. BOND, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 459, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 607

At the request of Mr. WARNER, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 1389

At the request of Mrs. FEINSTEIN, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1389, a bill to reform the financing of Federal elections, and for other purposes.

S. 1703

At the request of Mr. MURKOWSKI, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1703, a bill to amend the Act establishing the National Park Foundation.

S. 1714

At the request of Mr. BURNS, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 1714, a bill to amend title 49, United States Code, to ensure the ability of utility providers to establish, improve, operate, and maintain utility structures, facilities, and equipment for the benefit, safety, and well-being of consumers, by removing limitations on maximum driving and on-duty time pertaining to utility vehicle operators and drivers, and for other purposes.

S. 1735

At the request of Mr. PRESSLER, the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors 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.

S. 1743

At the request of Mr. BINGAMAN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1756

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Kansas [Mrs. KASSEBAUM] and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 1756, a bill to provide additional pension security for spouses and former spouses, and for other purposes.

S. 1757

At the request of Mr. FRIST, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1757, a bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the Act, and for other purposes.

S. 1771

At the request of Mr. MURKOWSKI, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1771, a bill to amend the Consolidated Omnibus Reconciliation Act of 1985 to clarify that the fee for providing customs services in connection with passengers arriving on commercial vessels making a single voyage may be collected only one time from each passenger, and for other purposes.

S. 1840

At the request of Mr. PRESSLER, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1840, a bill to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and

Natural Resources to receive testimony regarding S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes.

The hearing will be held on Thursday, June 13, 1996, it will begin at 9:30 a.m., and will take place in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call James P. Beirne, senior counsel or Betty Nevitt, staff assistant.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing scheduled before the full Committee on Energy and Natural Resources to receive testimony regarding S. 1804, a bill to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, amendment No. 4039 and oversight into the law enforcement initiative in the Commonwealth of the Northern Mariana Islands, have been postponed from Tuesday, June 25, 1996, to Wednesday, June 26, at 9:30 a.m. and will take place in room SD–336 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call James P. Beirne, senior counsel or Betty Nevitt.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 3 p.m. on Thursday, June 6, in executive session, to mark up a proposed SASC amendment to S. 1718, the intelligence authorization bill for fiscal year 1997, and to vote to report S. 1718 to the Senate.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. HATCH. 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 Thursday, June 6, 1996, to conduct a hearing on S. 1317, the ''Public Utility Holding Company Act of 1995.''

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, June 6, 1996, session of the Senate for the purpose of conducting an executive session and markup.

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

COMMITTEE ON FINANCE

Mr. HATCH. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, June 6, 1996, beginning at 9:00 a.m. in room SD–215. Most-favored-nation renewal for China.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 6, 1996, 2 p.m. to hold a hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, June 6, at 10 a.m., for a hearing on ''Oversight on IRS Financial Management.''

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. SPECTER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 6, 1996, at 5 p.m. to hold a closed markup on the DOD authorization bill.

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

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 6, 1996, at 10 a.m.

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

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, June 6, 1996, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to consider S. 1703, a bill to amend the act establishing the National Park Foundation.

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

ADDITIONAL STATEMENTS

THE SOCIAL SECURITY FAMILY PROTECTION ACT

• Ms. SNOWE. Mr. President, I am pleased to join my colleague and friend the Senator from Maryland, Senator MIKULSKI, in introducing legislation to correct an inequity that exists in our Social Security system.

The Social Security Family Protection Act that we are introducing today expands upon legislation I have introduced since 1992 which calls for the prorating of Social Security benefits in the month in which the recipient dies. Currently when a Social Security beneficiary dies—regardless of whether it is the first day of the month or the 29th day of the month, his or her last monthly benefit check must be returned to the Social Security Administration. The current system ignores the fact that the beneficiary runs up expenses during that last month and that the survivors are left to pay for those expenses, without the assistance of the Social Security check. In many cases, the loss of this benefit causes serious financial problems for the surviving family members because they are unable to financially subsidize the expenses accrued by the late beneficiary in their last month of life.

My original legislation prorates the Social Security benefit based on the date of death and allows the check to go to the surviving spouse. Under the Social Security Family Protection Act, the beneficiary's check will be prorated and it will go to the surviving family members. Under the prorated system in the bill, if the beneficiary dies before the 15th, the family will receive 50 percent of the benefit, if the beneficiary dies after the 15th, the family will receive the entire check. The expansion of this bill is based on Senator MIKULSKI's own family experience with Social Security after her widowed mother died, at the end of the month.

The Social Security Family Protection Act will correct the inappropriate assumption in current law that a beneficiary has not incurred expenses during his or her last month of life. I know that my colleagues have heard, as have Senator MIKULSKI and I, from constituents who have lost a husband or wife, father or mother toward the end of the month, received the Social Security check and spent all or part of it to pay the bills only to receive a notice from Social Security that the check must be returned. Under our bill, the surviving family members—whether it is a spouse, a son, or a niece—would be able to use the check to help pay the final bills incurred by their loved one.

I would like to read a part of a letter I received from a constituent about the experience of his family when his brother-in-law died. This letter, along with Senator MIKULSKI's own experience, serves to highlight why this bill is necessary.

On February 29, 1996 at 9:20 p.m. He passed away. The way I figure it, the month of Feb. has 696 hours in it. He was alive for 693 hrs and 20 min. of the month, missing a full month by 2 hours and 40 min. Or to put it another way, he was alive for 99.99617 percent of the month missing a full month by 0.0038314 percent. With this evidence in hand, the SSA then decided that his check for the month of Feb. had to be returned to them. Unfortunately, his debts for the month didn't disappear just because he failed to live the extra 0.0038314 percent of the month.

And since they waited till April to let anyone know of this policy, we paid his out-

standing bills with this money. Now they want their money back. . .. I really don't expect to see this resolved to my benefit, but it would be nice to see some kind of pro-rating system put into place for the rest of the people who are going to encounter this ghoulish practice. These people have, at this time, no recourse what-so-ever in this matter.

I know that my colleagues have all received letters like this. For many of these people that Social Security check is the only financial resource available to deal with the costs incurred during their loved one's last days of life. Without it, they are left struggling to find the money to pay back the Social Security Administration.

I believe that pro-rating Social Security checks for the month of death provides a solution to what is an unfair situation and I hope my colleagues will join us in supporting this bill.●

TRIBUTE TO HERMAN STAROBIN

● Mr. HOLLINGS. Mr. President, it is a fortunate man who can know at the end of his life that he not only earned the respect of others, but that he dedicated himself to a cause in which he believed. Herman Starobin was certainly one of those men. He died recently at the age of 75, having led a full and inspirational life. Herman was a longtime friend of mine, whose compassion for and dedication to the American worker set an example for us all. A true renaissance man, he distinguished himself in many fields over the course of his lifetime.

During the Second World War, Herman covered the European theater as a freelance journalist. After the war, he took over the family business from his father, and manufactured steel doors. While running the business Herman studied economics at New York University, where he went on to earn a doctorate. In 1969, he joined Harman Industries as corporate economist, and eventually rose to the presidency. Along the way, he garnered the well-deserved reputation as an expert on international trade.

Herman's experience at Harman Industries left an indelible impression on him. It led him in 1984 to pursue his next career with the International Ladies Garment Workers Union, where he fought valiantly for the future of American working men and women. At the time Herman had joined Harman Industries, the United States was the preeminent manufacturer of consumer electronics, but when he left 15 years later, the United States had lost its lead in manufacturing. Herman had witnessed the devastation of communities and tearing asunder of families that resulted from the deluge of imports, and that lit the fire under him. His firsthand experience and knowledge led him to devote the rest of his life to fighting to save our manufacturing base.

In his position as Director of Research for the I.L.G.W.U., Herman was at the forefront of every major trade debate of the last decade. When Herman spoke, he spoke with authority. He did not live in the esoteric world of economic modeling; he possessed the conviction of one who understands how the real world operates in this era of global competition.

We will miss his vigor, his humor, his encyclopedic knowledge and his endearing charm. On behalf of Peatsy and my staff, I would like to express our deepest sympathies to his wife Carol and his daughter Christina. Herman was a true champion of the people, and it was an honor to have known him.●

NATIONAL ABORETUM OF THE AGRICULTURAL RESEARCH SERVICE

● Mr. BOND. Mr. President, I was pleased this morning to honor the work of the Agricultural Research Service and the U.S. National Arboretum by planting a newly developed disease-resistant American elm on the grounds of the U.S. Capitol. Joining me was Dr. Floyd Horn, Administrator of the Agricultural Research Service; Larry Coughlin, President of the Friends of the National Arboretum and former Congressman from Pennsylvania; my good friend, fellow tree junkie, and liberally utilized advisor, Dr. Tom Elias, Director of the National Arboretum; and Dr. Denny Townsend, the scientist who has spent a lifetime studying and developing new trees for cities and towns and the person responsible for developing this new American elm.

I also want to thank the Architect of the Capitol, Mr. William Ensign and the Landscape Architect in his office, Mr. Matthew Evans for their professional assistance in facilitating this event.

The Dutch elm disease has ravaged our native American elms for over 65 years and has largely eliminated these magnificent trees from cities and towns throughout the eastern and Midwestern United States. But now, with the help of Dr. Townsend, and the National Arboretum, we stand a great chance of seeing a return of the stately and valuable American elm.

I am delighted to be the congressional sponsor of the tree planting ceremony to honor the many accomplishments of the National Arboretum and the ARS in their contributions to the city and town landscapes in the United States.

The purpose of the ceremony was to recognize the National Arboretum of the Agricultural Research Service. Over 645 new and improved varieties of ornamental and floral plants have been developed and released. Truly a remarkable record. The Arboretum has given us hundreds of Glen Dale hybrid azaleas, several flowering pear trees, the very popular and widely grown hybrids and selections of crape myrtles and viburnums, a disease resistant sycamore suitable for city streets, new red maples, numerous hollies and magnolias, and now a series of new elms including Valley Forge and New Harmony.

There is no question that the Arboretum has contributed greatly to the growth of the nursery and floral industries in the U.S. Their introductions, releases, and discoveries have helped to make the green industries the number one growth industry within Agriculture in America.

I am especially proud of the new cooperative agreement recently entered into between the Arboretum and the University of Missouri. On February 7, 1996, a memorandum of understanding was signed to establish a U.S. National Arboretum Midwest Plant Research and Education Site at the Horticulture and Agroforestry Research Center in New Franklin, MO.

The new program will provide significant research and educational opportunities for all of us in our mission to discover, develop, and disseminate knowledge for the stewardship and sustainable use of human and natural resources. With this in mind, our planting at MU will be arranged to enable visitors, such as homeowners, and nurserymen to make easy comparisons between selections for their use. This relationship with the Arboretum will provide practical benefits to many ordinary Americans, while providing the research community at Missouri access to numerous vegetative types that can be used for scientific study and educational purposes. In Missouri, we are very excited about this new relationship with the Arboretum.

I offer a hearty congratulations to Dr. Horn, Dr. Elias, and Dr. Townsend. Our country is grateful for people like you and your work in developing new and better trees, shrubs and other flower plants for the benefit of our national landscape and our environment.●

BORDER DRUG PROSECUTIONS

●Mrs. BOXER. Mr. President, 2 weeks ago the Senate agreed to an amendment to the budget resolution urging the Attorney General to ensure that drug prosecutions along the United States-Mexico border are vigorously prosecuted.

In the interest of time and cooperation in moving the budget forward, I did not oppose the amendment. However, I strongly disagreed with several findings which imply that the current U.S. attorney for the Southern District of California routinely failed to prosecute major drug cases. The source of information for those findings was an article in the Los Angeles Times that made several dubious claims about drug prosecutions in the Southern District.

After the Senate passed the amendment, the Los Angeles Times published a lengthy correction that retracted many of the charges made in the original article. Specifically, the correction

notes that the newspaper ''misstated federal guidelines for prosecuting [drug] seizures.'' The article claimed—and those claims were repeated in the Senate amendment—that no prosecutions were made for the possession of less than 125 pounds of marijuana. The Times now acknowledges that several prosecutions have occurred in cases involving smaller quantities.

The correction states that examples used in the original article ''contained incomplete or inaccurate information.'' Because this information was the basis of Senate amendment, it too should be considered incomplete and inaccurate.

I thank the Chair for the opportunity to correct the RECORD.

I ask that the correction be printed in the RECORD.

The material follows:

TIMES ARTICLE MISSTATED GUIDELINES ON BORDER DRUG CASES

A Times article disclosing the release of hundreds of Mexicans detained at the border on suspicion of drug smuggling misstated federal guidelines for prosecuting seizures.

The May 12 article—which touched off partisan political fighting over the Clinton administration's drug policy—inaccurately described a program under which federal authorities since 1994 have sent more than 1,000 drug suspects back to Mexico.

The guidelines state that prosecutors may decide not to press charges if five criteria are met. The suspect must be a first-time offender and a Mexican national and be caught with less than 125 pounds of marijuana. There also must be insufficient evidence of criminal intent, and the suspect must have little or no information about organized smuggling. Those suspects who meet all five criteria could be sent back to Mexico, and their green cards or border crossing cards confiscated.

The article, which was based on interviews with federal officials, did not list all five criteria and incorrectly implied that marijuana cases involving less than 125 pounds were not prosecuted. When The Times later obtained a copy of the internal guidelines, they were reported, as were statistics showing that the U.S. attorney's office in San Diego and the local district attorney have prosecuted hundreds of cases involving less than 125 pounds of marijuana.

In discussing the weight guidelines, the article erroneously indicated that it applies to U.S. citizens, as well as Mexican nationals, and a number of cases involving U.S. citizens were cited to make various points.

The examples illustrating lack of prosecution contained incomplete or inaccurate information, because some records pertaining to those cases could not be found or were not publicly available. The U.S. attorney's office, citing privacy concerns, had declined to reveal specific reasons for rejecting prosecution.

In one misreported case, a U.S. citizen with arrests in January and February was charged in both instances, and prosecutors say he will be charged in a third case pending a competency hearing. A U.S. citizen with a prior smuggling conviction was charged following an arrest in March with 68 pounds of marijuana. In another case, in which charges were dismissed against a woman defendant in a 158-pound cocaine seizure, the article should have added that her codefendant said the woman had no knowledge of the drugs. He was subsequently sentenced to prison.

In all, federal officials say, four of the eight cases in the article resulted in felony charges. Of the other four, the district attorney in San Diego rejected one case for insufficient evidence, the U.S. attorney rejected two on the same grounds and the investigation continues in the other.

''We prosecute all border drug cases in which we believe charges are warranted and can be proved beyond all reasonable doubt,'' said U.S. Atty. Alan D. Bersin.●

TRIBUTE TO WAYNE R. GRUPE

● Mr. WARNER. Mr. President, I rise today to pay tribute to Mr. Wayne R. Grupe, who is retiring from the Naval Facilities Engineering Command in Alexandria, VA, after 36 years of selfless public service to the Department of the Navy and the Nation.

Mr. Grupe began his Federal civil service as a civil engineer in 1960 with the Bureau of Yards and Docks. Throughout his career, Mr. Grupe has steadfastly and diligently applied his talents and efforts toward progressively more demanding challenges and service to the U.S. Navy. Rising through a multitude of critical management positions in the course of his distinguished career, he has advanced to become the program officer at the Naval Facilities Engineering Command with responsibility for policy and oversight of Navy and DOD programs in excess of $7 billion annually.

Among his contemporaries, Mr. Grupe is considered to be the preeminent resource manager not only in terms of seniority but also professional reputation and exhibited accomplishments. He has served in his current critical management position since 1971, a period characterized by burgeoning world-wide facilities construction and fleet base operating support requirements. His numerous professional accomplishments and achievements and his exceptional contributions to the effectiveness of his Command will be enduring for many years to come.

Mr. Grupe is a dedicated mentor and role model who has inspired and enabled many others to achieve similar accomplishments in their Federal civil service career. It is with a certain amount of regret that I wish a fond farewell to such an able and respected civil servant. His selfless service and interest in the people he so ably served will long be remembered.

I join his family, many friends and colleagues in congratulating him on his well earned retirement and wish him future ''Fair Winds and Following Seas.''●

STAND FOR CHILDREN

● Mr. DODD. Mr. President, I wanted to take a few moments today to speak about a wonderful and inspiring event, which took place on The Mall in Washington this past Saturday.

Mr. President on June 1, 200,000 Americans from across the country; blacks and whites, Jews and Gentiles, rich and poor, male and female, liberals and conservatives came together to stand up for the rights of our nation's most vulnerable citizens—America's children.

I applaud the efforts of all those who came to Washington to make a principled stand for the rights of children. But as the Hartford Courant noted, ''the world's most prosperous democracy shouldn't require a rally to focus on deprivation of its young.''

Children don't vote. They don't have a political action committee. Instead, they must rely on the benevolence of adults to assure that they have the tools and opportunities to succeed.

Unfortunately, it seems we as adults are failing to hold up our part of the bargain.

Consider the enormous adversities facing our youngest Americans. One in five children in this country is mired in poverty. Every day, 2,600 American children are born into a life of poverty. And children remain this Nation's poorest group of Americans.

Every day, 15 kids are homicide victims. Every 90 minutes, a gunshot ends the life of one of America's children. When our nightly newscasts and newspapers focus on the most heinous violent crimes committed in our Nation it is children who seem to often be the perpetrators.

Additionally, more than 8,400 of America's young people are victims of abuse or neglect. Another 12 million lack health insurance, and child care workers toil at the bottom of U.S. wage scales.

The evidence is clear that children in our Nation face innumerable difficulties. But, events of the past weekend demonstrate that there exists in our Nation a groundswell of support for a political agenda that protects children.

Two hundred thousand Americans came to The Mall in Washington because they believe that everything we do in Congress should help, not hinder, the growth and development of children.

They came to Washington because they believe that America should never shirk its commitment to providing health care for children.

They came to Washington because they believe that children have a right to play in streets and on playgrounds free from the scourge of guns and drugs.

They came to Washington because in a time when education is essential to succeeding in the global economy of the 21st century, they believe that every child must have the opportunity of a good education.

These are not, and should not, be partisan issues. And, it's with great dismay that I see some on the right attacking the intentions and goals of the organizers of Stand for Children.

They claim that the event was simply an excuse to increase the size of Government. I couldn't disagree more. As Marian Wright Edelman, head of the Children's Defense Fund and organizer of the march said, ''We do not stand

here advocating big government. We stand here advocating just government.''

I certainly agree that government is not the answer to all of the problems of America's children.

It can't steady the hand of an abusive parent. But, it can help to protect the child.

Government can't teach a child a skill. But, it can provide educational opportunity through Head Start, good public schools, or student loans.

It can't save a child's life. But it can take murderous assault weapons off the street and throw criminals in prison.

Government can't put food on the table. But government can help provide child care, raise the minimum wage or provide economic opportunities so that parents, on their own, can focus their energies on making a better future for their children.

Only in our Nation's communities, neighborhoods and homes can we truly create an environment conducive to the good of our children.

But these cost-effective, common sense measures invest in our children's future and they should enjoy bipartisan support.

I've long supported child care initiatives in Congress, such as the 1990 Child Care and Development Block Grant and the Family and Medical Leave Act. And each time, Members from both sides of the aisle have joined in co-sponsoring and supporting these measures.

Because, children's issues are not partisan issues. They are American issues and they affect each and every one of us.

Stand for Children is a clear demonstration that we need to go beyond the rhetoric of protecting our children's future to concrete and unequivocal action.

I urge my colleagues to heed the call of the 200,000 Americans who came to Washington this past Saturday and make a similar stand for children here in Congress.●

CONGRATULATING JAMES B. GOLDEN

● Mr. SANTORUM. Mr. President, I rise today so that I might call special attention to Mr. James B. Golden, Jr. of Philadelphia, PA, most recently sworn in as the new chief of police for Saginaw, MI. Prior to assuming this new position in Michigan, Mr. Golden served as the executive officer of the Philadelphia Police Department.

Mr. President, I would like to take the time to salute Mr. Golden for his quarter century of service to both the Philadelphia Police Department and to the residents of our city.

I would like to call attention to this distinguished record of service by asking that a proclamation honoring Mr. Golden be printed in the RECORD.

The proclamation follows:

PROCLAMATION

To honor James B. Golden, Jr. on his distinguished record of service to the City of Philadelphia and on his appointment as Chief of Police of Saginaw, Michigan.

Whereas James B. Golden, Jr. served as Executive Officer of the Philadelphia Police Department, overseeing the Human Resources, Strategic Planning, Supplemental Police Services, and Management Review Bureaus for the Department;

Whereas James B. Golden, Jr., as Executive Officer of the Philadelphia Police Department, had management oversight responsibilities over 8,000 sworn and civilian personnel as well as command over an annual budget of $325 million;

Whereas prior to his appointment as Executive Officer, James B. Golden, Jr. held the position of captain and served as Administrative Officer to Former Police Commissioner Willie L. Williams;

Whereas James B. Golden, Jr. was appointed to the Office of the First Deputy Police Commissioner, responsible for implementing the recommendations of the Philadelphia Police Study Task Force, thereby bringing about a complete change in the focus and strategy of the Philadelphia Police Department;

Whereas James B. Golden, Jr. earned a Bachelor of Science Degree in Management from the Philadelphia College of Textiles and Science, is a graduate of the 179th Session of the FBI National Academy, and has completed executive development programs at Temple and Harvard Universities;

Whereas James B. Golden, Jr. has risen from the rank of police officer in the 23rd Police District of Philadelphia to the rank of Police Chief with the Saginaw, Michigan Police Department; *Now therefore,* The Senate congratulates James B. Golden, Jr. on his distinguished service to the City of Philadelphia, on his many achievements and honors in the field of law enforcement, and wishes him a successful tenure as the Chief of Police for Saginaw, Michigan.

Again Mr. President, this appointment is an honor to both Mr. Golden and to the people of Saginaw, MI. At this time I would like to extend my best wishes to Mr. Golden as he embarks upon his new role as Chief of Police for Saginaw, MI.●

NORMAL TRADE STATUS

● Mr. BAUCUS. Mr. President, Senators ROTH, MOYNIHAN, and CHAFEE and I will soon introduce a bill to solve a small but serious problem that has plagued our trade policy for years—the fact that most favored nation or MFN status does not mean what it says.

Let me offer an analogy that may illuminate the difficulties this creates. In Greek myth, the gods punish King Sisyphus of Corinth, for various sins and repeated attempts to cheat death, by making him push a heavy stone up a hill for eternity. Each time he gets to the top, it rolls back down and he has to start again.

Our experience with MFN tariff status is somewhat similar. Each year, we have to convince the public that MFN status does not really mean ''most favored nation'' status, but simply the same tariff rate that applies to most countries.

This year is a good example. We will soon debate the President's decision to renew MFN status for China. We will soon, I hope, pass bills to grant Bulgaria and Cambodia permanent MFN status. And we may also take up a bill to grant permanent MFN status to Romania.

Obviously, logic tells us that these countries cannot all be America's favorite country at one time. And sound diplomatic practice would avoid ranking any single country as our favorite. Yet we can excuse the millions of Americans who do not follow the arcana of trade laws and agreements if they conclude that, somehow, Congress is attempting to anoint Bulgaria, Cambodia, China, and Romania as our favorite country all in the very same year.

The truth is, of course, that we are attempting no such thing. MFN is the normal tariff status we in the United States apply to most of our trading partners. Under the Uruguay Round, it is a tariff level averaging around 4.5 percent. Often, in fact, tariffs fall well below this MFN rate because of free trade agreements and special arrangements with developing countries. So MFN is not even the best available tariff rate. It has nothing to do with favoritism.

Yet to this day, many people oppose MFN status for China because they believe it is a kind of special favor. The term is simply misleading and wrong. And it is extremely frustrating to explain it each year, only to have to start explaining it again a few months later. It is a longstanding, needless complication in our trade policy.

This year, we could push the metaphorical MFN stone up the hill once again and hope that, this time, it stays at the top. But unlike Sisyphus, we have another choice. We can just push the stone into a lake and get rid of the problem for good.

That is what our bill will do. It will delete the term ''most favored nation status'' from our trade laws, and replace it with ''normal trade relations.''

That will not change our tariff and trade policies in any way. But it will bring our terminology in line with reality. Thus, it will make our policies more comphensive to the public and avoid needless arguments. It is good common sense, and I hope it will get the Senate's support.●

CONGRATULATIONS TO WEST WARWICK HIGH SCHOOL

● Mr. CHAFEE. Mr. President, I would like to pay tribute to a group of students from West Warwick High School, West Warwick, RI. These 18 young men and women deserve a note of recognition for their outstanding performance in the 1996 ''We the People. The Citizen and the Constitution'' national finals.

From April 27–29, here in Washington, DC, the team from West Warwick competed against 49 other classes from throughout the Nation. They demonstrated a remarkable understanding of the fundamental ideals and values of American constitutional democracy. The ''We the People'' competition is the most extensive of its kind. Developed to help students understand the

history and the principles of the Constitution and the Bill of Rights, the program has reached more than 22 million students at the elementary, middle, and high school levels in its 9 year history.

I appreciate the generations of dedicated citizens who have devoted themselves to studying and interpreting, to drawing upon the principles set down in the Constitution and the Bill of Rights in order to make this Government the most effective and democratic in the world. For this reason it gives me great pleasure to pay tribute to these young people who are continuing in the fine tradition of constitutional scholarship. The group from West Warwick High School, as well as their competitors from across the Nation, not only demonstrated a remarkable understanding of the fundamental principles of the U.S. Government, but also worked together to learn to participate responsibly in our political system. For me, and I am sure for every one of my colleagues here, there can be no greater joy than to witness the emergence of a new generation of Americans dedicated to upholding those common ideals under which this Nation's leaders have convened for 220 years.

I commend the achievements of these students, and congratulate their teacher and all the faculty at West Warwick High School for a job well done.

I commend the achievements of these students, and congratulate their teacher and all the faculty at West Warwick High School for a job well done.

Mr. President, I ask that the names of these exceptional West Warwick high school students and their teacher, Michael Trofi, be entered into the CONGRESSIONAL RECORD as follows:

Susan, Bickerstaff, Joshua Brassard, Carlos Cruz, Jason Deletesky, Nicholas Dube, Brandon Hall, Paul Heatherson, Cynthia Jutras, Jennifer Lavoie, Jessica Lavoie, Jessia Lefrancois, Steven Marandola, Richard Marrese, Jesse Nason, Matthew Raiche, Walter Richardson IV, Michael Streeter, and Tara Watson.●

OLYMPIC FLAME COMES TO MICHIGAN

● Mr. LEVIN. Mr. President, this weekend the Olympic flame travels to Michigan. This journey began on March 30 amid the ruins of the sanctuary at Ancient Olympia in Greece, the site of the first recorded Olympics in 776 B.C. The 84-day American leg of the Olympic Torch Relay began on April 27 and will ultimately involve over 10,000 torchbearers. By the time the flame reaches its final destination, it will have traveled over 15,000 miles and visited 42 States. This year's relay is the longest and most inclusive torch relay in Olympic history and will culminate on July 19 in Atlanta at the opening ceremony of the 1996 Centennial Olympic Games. The torch relay route weaves together the American people in support of the Olympic games.

Michigan is holding a weekend of festivities in celebration of the flame's arrival. The 2-day, 25-mile relay will take the Olympic flame through southeastern Michigan and will involve 80 Michiganians as torchbearers. The relay route begins Saturday in Dearborn Heights, moves on to Dearborn for major festivities and ends Sunday on Hart Plaza in downtown Detroit where a large celebration is planned. After its stay in Detroit, the flame will board an ore boat which will carry it down the Detroit River and across Lake Erie to its next stop in Cleveland, OH.

I am proud that this great symbol is being carried through Michigan. The Olympics Games are indeed a spectacular sporting event, but they represent something much greater. They are a celebration of the goodwill among nations. During the Olympic Games, people from around the world compete against each other under the banner of peace, friendship, and the pursuit of excellence. The flame symbolizes this Olympic spirit and it is an honor to have it travel to Michigan.●

VIRGINIA'S BUSINESS PERSONS OF THE YEAR

● Mr. WARNER. Mr. President, I have the great pleasure today to honor John Broughton and Monty Blizard, whom have been selected as Virginia's 1996 Business Persons of the Year. These awards were made as part of Small Business Week, and I believe this celebration of small business recognizes its crucial impact on our economy and society. John Broughton and Monty Blizard have worked together to make Broughton Systems, Inc., based in Richmond, VA, a superior firm that specializes in technology consulting and system development. Since its conception in 1981, Broughton Systems, has grown rapidly due to its intense focus on client relationships. As a result of such intense loyalty to their clients, nearly 80 percent of Broughton Systems' work is with existing or longtime clients. With its fundamental guide ''treating customers as we would want to be treated,'' Broughton Systems was recognized by Inc. magazine as one of the fastest growing private companies in the Nation, and has continued to build on that growth.

Broughton Systems' loyalty does not stop with their clients, but carries over to its employees as well. Broughton has created a strong sense of community within its organization by treating its employees as members of a family. As part of this family, Brougton seeks ways in which it can enhance employee satisfaction and productivity through numerous programs and open lines of communication. For instance, work related issues, such as benefits and client management, are discussed openly in company town meetings held twice a year. Mr. Broughton and Mr. Blizard have also established opportunities for job sharing and have creative compensation programs to reward performance. The company seeks candidates who are reentering the work force and is proud of the fact that it has never had to lay off an employee. All of this establishes Broughton Systems as a secure place of employment, which in turn attracts creative and qualified individuals to compete in this expanding and competitive market.

It is Broughton Systems' sense of family that has also spurred their employees to be leaders and philanthropists in the local community. They have given generously in the form of time, money, and pro bono work for nonprofit organizations such as the Children's Hospital, Special Olympics, and the Multiple Sclerosis Society.

I am very pleased to have these two fine men being honored this week. It is my hope that they will serve as models not only for other business men and women in Virginia, but also entrepreneurs nationwide.●

CONDITIONS IN NIGERIA

● Mr. FEINGOLD. Mr. President, I rise to comment on the further disintegration of the human rights situation in Nigeria.

A few days ago, another assassination occurred which appears to be politically motivated.

Kudirat Abiola, the wife of Moshood Abiola, the winner of the 1993 presidential election, was brutally murdered by a group of armed men near a military checkpoint in Lagos, the capital. According to reports, they jumped out of a car, pulled Mrs. Abiola out of her own car, and shot her in the forehead—execution style. Both Mrs. Abiola and her driver died a few hours later in a Lagos hospital.

Obviously, at this point in time, the facts have not been established and it is important not to jump to conclusions before full information is available, but according to most accounts, this was a political assassination.

Mr. President, just 4 months ago, Alex Ibru, the publisher of the Nation, one of Nigeria's leading newspapers was shot at on a Lagos street. Fortunately, he was only wounded.

The shooting this week is yet another indication of the deteriorating human rights situation in Nigeria. The assassination of the spouse of a political leader is an act which is deeply shocking. Political assassination itself is a horrifying assault upon a democratic process, but when the family members of political figures become the targets for this kind of heinous act, the injury goes even deeper.

Mrs. Abiola's husband, Moshood Abiola, has been imprisoned for nearly 2 years. Kudirat Abiola herself was detained by the current regime just last month apparently because she had on her person documents which suggested that her husband should be the rightful leader of the country. She was released, but it is difficult not to see a

connection between the tragic ending to her life and the earlier detention. Mrs. Abiola had been an outspoken critic of Gen. Sani Abacha's regime. For nearly 2 years, she had been working tirelessly—both in private and in public for the release of her husband. She had become a prominent individual in her own right, working to bring democracy to her country. Just last week, she met with John Shattuck, our Assistant Secretary of State for Human Rights.

The assassination of this leading figure, following the executions last year of a group of human rights activists, including the renowned playwright, Ken Sara-Wiwa, has drawn international condemnation and rightly so. According to press reports, thousands of university students marched yesterday in Ibadan, joined by many others. Over 3,000 people attended Ms. Abiola's funeral yesterday, including representatives from a number of nations.

Mr. President, Nigeria is an important country in regional and international politics. It is the most populous country in Africa and an active member of many international bodies. Nigeria's fate is thus of great significance. It has the potential to become a major world trading partner and an influential member of the international community. Yet its leadership continues to squander this potential through this horrific behavior. The military regime of Gen. Sani Abacha continues to be associated with rampant corruption, brutal policies of repression and execution and severe economic mismanagement.

I spoke yesterday with the Nigerian Ambassador to the United States and communicated my own concern that the most recent assassination is a matter of grave concern and urged that his government conduct a full and transparent investigation of the circumstances leading to Mrs. Abiola's assassination and take steps to bring her murderers to justice.

The Senate Foreign Relations Subcommittee on Africa, on which I serve as the ranking minority member, recently held a hearing on United States policy on Nigeria. As I said then, and as I have said many times on this floor, the track of decline and violence in Nigeria causes great pain and instability in all of Africa. The brutal assassinations and executions underscore this problem.

The situation in Nigeria today stands in stark contrast to the trend in many African countries toward pluralism, transparency, and constitutional guarantees of fundamental human rights. Nigeria continues to move in the opposite direction. The international community needs to send very strong messages that this course of action will make Nigeria an international pariah, shunned by all nations and all people committed to human rights and democracy.●

TRIBUTE TO SENATOR PRYOR

Mr. DOLE. Mr. President, the first 8 years of my time as Republican leader coincided with the administrations of Republican Presidents. And one of my jobs as leader was do everything I could to support the agenda of those Presidents.

Though Senator PRYOR is not the Democrat leader, he has made it his job the past 3 years to do everything he could to support President Clinton, his long-time friend and fellow Arkansan.

And no doubt about it, President Clinton could not have asked for a better friend than Senator PRYOR. While we have disagreed on many issues—especially over the last 3 years—I have admired his loyalty to the President.

I have also admired the special interest that Senator PRYOR has taken on issues of importance to senior citizens. When he was in the House of Representatives, he was the driving force behind the establishment of the Aging Committee, and has chaired that committee here in the Senate.

Senator PRYOR will also be remembered for his longstanding crusade against overly harsh enforcement methods of the Internal Revenue Service, and he is due a great deal of credit for the passage in 1988 of the taxpayers bill of rights.

I would close by saying to Senator PRYOR that it is my hope that come next January, I will have the privilege of having Senators who are as good of friends to a Dole administration as he has been to the Clinton administration.

TRIBUTE TO BILL BRADLEY

Mr. DOLE. Mr. President, as I look back at my years in the Senate, one accomplishment of which I am very proud was the passage of tax reform legislation in 1986, when I was serving as Senate majority leader.

This bill was a very important first step in making our tax system fairer, flatter, and simpler. And one of the guiding forces behind its passage was Senator BILL BRADLEY of New Jersey.

Senator BRADLEY is retiring from the Senate at the end of this year, and he leaves behind a record of accomplishment and innovation.

From the future of Russia to international trade to the state of our cities, Senator BRADLEY has been in the forefront of debates, providing both leadership and original proposals.

Senator BRADLEY and I have not agreed on every issue over the years, but one matter on which we see eye-to-eye is the need to restore civility and a sense of decency to American society.

I have no doubt that Senator BRADLEY will continue to contribute a great deal to the debates of our time for many years to come.

Elizabeth joins with me in wishing all the best to Senator BRADLEY, and to his wife, Ernestine.

Senator Bradley has been a good friend. We have been on the Finance Committee together. We have agreed on a lot of issues and, as I said earlier, disagreed on some. I think he has added a great deal of civility to this body, and I know he has a bright future as he leaves the Senate in whatever he may do in the private sector.

SENATOR BENNETT JOHNSTON

Mr. DOLE. Mr. President, like many Members of this body, I learned a great deal about how to succeed in the Senate from our former colleague, Russell Long of Louisiana.

Senator Long knew this institution. He knew how to get things done. And he knew how to fight for the interests of his State. And during the 14 years they represented Louisiana together, Senator Long had a willing student and an effective partner in Senator J. BENNETT JOHNSTON.

And when Senator JOHNSTON leaves this Chamber at the end of the year, he will leave with a reputation as someone who knows the Senate, who knows how to get things done, and who knows how to fight for people of his State.

Energy, water development, agriculture, and national defense are all issues that matter to Louisiana, and they are matters that have been on the top of Senator JOHNSTON's agenda.

As Republican leader, I have appreciated Senator JOHNSTON's willingness to set partisanship aside, and to do what is best for America. His support of President Bush during the Persian Gulf War, his opposition to the Clinton tax increase, and his leadership in the effort to achieve true regulatory reform are three examples that come to mind.

I note that Senator JOHNSTON will celebrate his birthday next week, and I would say to him that he is still a very young man, and that he still has much to contribute to Louisiana and to America.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session.

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

Mr. DOLE. Mr. President, let me indicate before I make any request here that I have had a phone discussion today with Senator DASCHLE, the Democratic leader. I hope there is still some way before I leave here on Tuesday that we can dispose of, if not all the nominees on the calendar, most of the nominees. It has never been my practice to hold up nominees because they have families; they have plans to make; they have moves to make.

I know that we are sort of caught in a crunch here because we have objections from both sides. And I did say on May 24, 1996, that I would be happy to call up these nominations one at a time. If we cannot agree on a package, if we cannot agree to do all or part, then it seems to me that we ought to—

we are talking more about judicial nominees than anything else at this point—go one at a time.

Now, whether or not that will be satisfactory—I do not want to make the request if it is not satisfactory, because I know the Democratic leader has obligations too, to his Members.

I am not going to ask you to object if you prefer to work this out some other way, but I am prepared and I think the Democratic leader is, if we can find some way, to sort of break this logjam. We are in a position to clear at least 5 nominees, not judges but other nominations. So we are making an effort, a serious effort. I am aware the leader is making an effort to try to accommodate the concerns of the President expressed to me this morning by the Democratic leader. So rather than make the request, I ask the Democratic leader if he knows of any other way we can deal with this that might resolve the problems we both have?

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, let me say first I very much appreciate the manner in which the majority leader has attempted to resolve this issue. No one has been more fair than has he, with regard to finding a way to resolve the matter and, as he indicated some time ago, he indicated his desire to take these matters up one by one. Under the circumstances, I think, were we to not have any understanding as to how to resolve it, we would not be in a position to agree tonight to any one particular element of the Executive Calendar relating to judges. But I share the majority leader's view that our best opportunity would be, perhaps, to take these matters up one by one. I would want to work with him to see if we can resolve it in the next few days.

Mr. DOLE. As the Democratic leader knows, the Senators are coming to me and they are coming to you. They say, ''Just work out my problem,'' which I would be happy to do. But there are others who say, ''Not until you work out my problem.'' And therein lies the problem.

So I hope we could accommodate. The judges I had in mind were Joseph Greenaway of New Jersey and Walker Miller of Colorado. We could go down the whole list one time. Maybe everybody would cease to object, because then we would have a vote up or down or somebody would have to stand up here and say I want to speak however long it takes to sidetrack this nominee.

Perhaps we can, between now and Monday, and we are here at least for 2 or 3 hours tomorrow morning. I will be happy to visit with the Democratic leader.

Mr. DASCHLE. Very good.

EXECUTIVE CALENDAR

Mr. DOLE. I now ask we proceed en bloc to the following nominations on today's Executive Calendar, 481, 484 through 489, 493 and 494, and all nominations placed on the Secretary's desk in the Foreign Service and Public Health Service.

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

Mr. DOLE. I further ask consent the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, that any statements relating to nominations be placed at this point in the RECORD, the President be immediately notified of the Senate's action and, further, that the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

David Finn, of New York, to be a Member of the National Council on the Humanities for a term expiring January 26, 2000.

Speight Jenkins, of Washington, to be a Member of the National Council on the Arts for a term expiring September 3, 2000.

Townsend D. Wolfe, III, of Arkansas, to be a Member of the National Council on the Arts for a term expiring September 3, 2000.

Patrick Davidson, of California, to be a Member of the National Council on the Arts for a term expiring September 3, 2000.

William P. Foster, of Florida, to be a Member of the National Council on the Arts for a term expiring September 3, 2000.

Wallace D. McRae, of Montana, to be a Member of the National Council on the Arts for a term expiring September 3, 1998.

NATIONAL COUNCIL ON DISABILITY

Marca Bristo, of Illinois, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Kate Pew Wolters, of Michigan, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

IN THE FOREIGN SERVICE, PUBLIC HEALTH SERVICE

Foreign Service nominations beginning Suzanne K. Hale, and ending Robert J. Wicks, which nominations were received by the Senate and appeared in the Congressional Record of March 6, 1996.

Foreign Service nominations beginning Alfred Thomas Clark, and ending David Jonathan Wolff, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1996.

Public Health Service nominations beginning Richard J. Hodes, and ending Cheryl A. Wiseman, which nominations were received by the Senate and appeared in the Congressional Record of November 9, 1995.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

EXTENDING THE SERVICE OF CERTAIN MEMBERS OF THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of S. 1634, relating to the Franklin Delano Roosevelt Memorial Commission and that the Senate then proceed to its immediate consideration.

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

The clerk will report.

The legislative clerk read as follows:

A bill (S.1634) to amend the resolution establishing the Franklin Delano Roosevelt Memorial Commission to extend the service of certain members.

Mr. DOLE. Mr. President, I ask unanimous consent the bill be considered read three times, passed, and the motion to reconsider be laid upon the table.

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

The bill was considered read three times and passed as follows:

S. 1634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled ''An Act to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt'', approved August 11, 1955 (69 Stat. 694) is amended by adding at the end thereof the following: ''A Commissioner who ceases to be a Member of the Senate or the House of Representatives may, with the approval of the appointing authority, continue to serve as a commissioner for a period of up to one year after he or she ceases to be a Member of the Senate or the House of Representatives.''.

ORDERS FOR FRIDAY, JUNE 7, 1996

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Friday, June 7; 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, the time for the two leaders be reserved for their use later in the day, and there then be a period for the transaction of morning business for a period of 2 hours, with the first hour under the control of Senator COVERDELL, the second hour under the control of Senator DASCHLE or his designee, with 15 minutes of the minority time under the control of Senator LEAHY.

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

PROGRAM

Mr. DOLE. For the information of all Senators, tomorrow the Senate will conduct morning business. I do not believe there will be rollcall votes. I cannot say that for certain. If we work out something on judges we may have a vote or two, but they will be minimal, if any. And we may be asked to turn to any executive or legislative items cleared for action.

Let me just indicate, I have been working, as I know the Democratic leader has, trying to figure out something on the budget, perhaps get a time agreement.

We have also been working on the so-called Kassebaum-Kennedy health care reform. My view was we were getting very, very close. I may be mistaken, but there have been constant contacts with the White House at the staff level. And there have been changes made in the MSA provision, which is the one provision that seems to be the sticking point, and many of the other issues with reference to mental health, the so-called MEWA's, and other provisions, have been resolved. So it is still hopeful that that can be accomplished between now and early next week. But, in any event, I think there are still conversations going on at this moment.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. DOLE. If there be no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:47 p.m, adjourned until Friday, June 7, 1996, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 6, 1996:

THE JUDICIARY

ROBERT L. HINKLE, OF FLORIDA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF FLORIDA VICE WILLIAM H. STAFFORD, JR., RETIRED.

MARY ANN GOODEN TERRELL, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE RICHARD STEPHEN SALZMAN, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate June 6, 1996:

DEPARTMENT OF EDUCATION

PATRICIA WENTWORTH MCNEIL, OF MASSACHUSETTS, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

DAVID FINN, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2000.

SPEIGHT JENKINS, OF WASHINGTON, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000.

TOWNSEND D. WOLFE, III, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000.

PATRICK DAVIDSON, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000.

WILLIAM P. FOSTER, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000.

WALLACE D. MCRAE, OF MONTANA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 1998.

NATIONAL COUNCIL ON DISABILITY

MARCA BRISTO, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

KATE PEW WOLTERS, OF MICHIGAN, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING SUZANNE K. HALE, AND ENDING ROBERT J. WICKS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 6, 1996.

FOREIGN SERVICE NOMINATIONS BEGINNING ALFRED THOMAS CLARK, AND ENDING DAVID JONATHAN WOLFF, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1996.

PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING RICHARD J HODES, AND ENDING CHERYL A WISEMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 9, 1995.