more rounds of payments, mostly to recipients who will get only $2,500 per claim, as soon as it has the funds available.

The Saudi Proposal. Saudi Arabia's Crown Prince Abdullah has presented a plan that overlaps the U.S. strategy in key areas, calling for retaining sanctions but abolishing the limit on how much oil Iraq can sell and making other changes to speed humanitarian deliveries. It is also said to call for revamping UNSCOM, with few details on what that means (evidently not much change is proposed). Saudi Arabia has lobbied for the plan vigorously at three meetings of the Gulf Cooperation Council and two other inter-Arab sessions. It is unusual for Saudi Arabia to be so bold at asserting leadership in the region, and even more unusual for Saudi Arabia to pursue the plan so tenaciously in the face of opposition from those in the region who want to distance themselves from the U.S.—British air strikes. Under the direction of the foreign minister, Prince Saud al-Faysal, the Saudis have successfully brought on board Egypt, which was initially skeptical.

The Saudi initiative underscores the convergence of U.S. and Saudi interests on Iraq. Although Riyadh was widely criticized in the United States for its reluctance to participate in the December air campaign. Saudi policy is in fact closely aligned with Washington's. For instance, the political commentator of the official Saudi news agency wrote, "The Iraqi people deserve and need a revolution" against "the tyrant of Baghdad," whereas in Egypt, another Arab country whose ruler Saddam attacked, the government confined itself to saying "the Iraqi leadership is primarily responsible for the Iraqi people's hardships." The reassertion of leadership in the region by Saudi Arabia, if sustained, would on many issues correspond well with U.S. interests.

Although it is unlikely that the Saudis will be able to convince enough Arab states to support their plan for the January 24 meeting of Arab League foreign ministers to endorse it openly, the United States should lend weight to the Saudi diplomatic effort. The Saudi effort focuses Arab attention on the issue most important for U.S. interests—how to relieve the suffering of the Iraqi people—rather than on the question raised by the French proposal, namely, how to water down inspections so as to win Saddam's assent.

Mr. MURKOWSKI. I will ask the administration to take a different tact to tighten, rather than loosen, the Oil-for-Food Program, to veto U.N. plans that allow Saddam to use this money to finance nonhumanitarian purchases, and to strengthen oil interdiction and inspection operations, including adopting something like the "no-fly" zone with a "no-oil" vessel zone. Only by taking these measures can the U.N. finally cripple Saddam's regime and increase energy security for all Americas.

If we cut off Saddam's oil supply, we will bring him to his knees. That is the only way it will happen.

Mr. President, I would like to take a moment to comment on the Department of the Interior's Mineral Management Service proposed oil valuation rule.

Earlier this week, speaking with regard to the Administration's FY 2000 budget, Secretary Babbitt said, "We have met, and talked, and talked, and talked," about the proposed rule. But I submit that the only talking done by MMS has been at industry and at Congress, not with them. Mr. President, the proposed rule by MMS was unfair last year and it remains unfair.

Babbitt has declared that talks are "over" and that MMS is determined to issue its rule in June, when the Congressional moratorium expires.

This is simply unconscionable. The domestic oil industry is on its knees right now. But, again, this action by Interior is symptomatic of Administration attacks on the domestic energy industry.

The Federal Government should work to save marginal producers, not put them out of business. Yet that is just what Interior is doing by issuing an unfair royalty rule at a time when producers can least afford it.

I would ask Secretary Babbitt the following question: How many royalties can a bankrupt industry pay? I would also ask him if this rule is truly about raising revenue, or is it another Administration scheme to drive petroleum producers out of business. After all, 100 percent of zero is zero.

For the record, Mr. President, I will be speaking to MMS and looking into this flawed royalty rule.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mrs. MURRAY. Mr. President, thank you.

THE PRESIDENT'S FY 2000 BUDGET

Mrs. MURRAY. Mr. President, I come here today to talk about our Nation's first investment in the next century: the budget for the year 2000. I want to say how great it is that we are turning our attention to the issues that are important to America's families.

When I first came to Washington, DC, the deficit was $290 billion. We had to make some very tough budget decisions to get the Nation's books back in balance. Now our economy is growing and it is strong. This year, the Office of Management and Budget projects a surplus to be $79 billion. That is the biggest surplus in American history. It hasn't been easy to get to this point and we still have a lot of work to do.

Now we have to use this opportunity to make critical investments in our Nation's senior citizens and in our children. We have an obligation to ensure the dignity of the previous generation and to prepare the next generation for a successful future. The budget we have before the Senate will help us do that.

This budget keeps our commitment to save Social Security first. It will set aside more than 60 percent of the surplus to extend the solvency of the Social Security trust fund until 2055. And it takes important steps to protect older women who depend on Social Security, but must continue to work to supplement their incomes. This budget will increase their survivor's benefits after the deaths of their husbands and eliminate the earnings limitation.

This budget will strengthen Medicare and provide more stability. It also gives assistance to the elderly and disabled who need long-term care in their families by providing a $1,000 tax credit.

We have to also make education a top priority. This budget provides desperately needed funds to fix our Nation's worn out schools and our overcrowded classrooms. It provides tax credits to help States and local school districts build and renovate public schools, and it continues our commitment to hiring 100,000 new and well-trained teachers. In addition, it provides flexibility at the local level for schools to ensure all children receive a quality education, and it calls for tough new accountability measures to hold schools and teachers to high standards.

This budget is by no means perfect. The funding for educating children with special needs is inadequate, and I will work to address this inequity. The Federal Government has made a commitment to meet 40 percent of the cost of educating disabled children, but we have yet to come close. As we work to improve our schools and raise our academic standards, we must not leave disabled children behind.

I know that as we go through the budget process we will have our disagreements, but I am looking forward to an open discussion of the issues and working together to accomplish a bipartisan agreement that serves the American people well.

This budget provides a real framework for action. I applaud the President's pledge to save Social Security and prepare for the challenges of a new century. Now we must move forward. The clock is ticking. It is time for us to work on the issues and the priorities of America's families.

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

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Maine, Ms. COLLINS, is recognized.

(The remarks of Ms. COLLINS and Mr. LEVIN pertaining to the introduction of S. 335 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the next 60 minutes of morning business be under my control.

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

THE PRESIDENT'S BUDGET

Mr. COVERDELL. Mr. President, the President has now given us his budget—quite a remarkable document.

I remember when the President came to speak to the joint session and said, "The era of big government is over." There was broad applause—not only in the Chamber but around the country. Now we are confronted—it is not nearly as spot oriented or media driven—but it is sort of the statement: "The era of big government is over" is over. He has taken that pronouncement and absolutely quashed it in this new budget—driven it in the ground never to be seen again. It was a 77-minute speech, and it outlined 77 new Government spending proposals that amounted to approximately $5 billion in new Government spending per minute. I am glad the speech wasn't longer.

In the President's budget, according to the New York Times, he proposed 81 separate tax increases totaling $82 billion over the next 5 years. The effect of that would be to nearly nullify the limited tax reduction that the last Congress finally fashioned with this administration for which there was an enormous celebration on the White House lawn. This would virtually eliminate it.

The administration will describe these as "user fees." That is not new. Both parties have used that. But when you look down at what that means, it is quite interesting, Mr. President:

$1.1 billion in airline fees. That means all traveling America is going to get a tax increase, if you ever get on an airplane.

Or $504 million in food inspection fees. Who is going to pay that? Anybody who goes into the grocery store and buys a quarter-pound of ground beef, processed chicken, or milk; in other words, everybody.

Then we have $200 million in new health care fees on providers and plans and doctors—no, not on providers, health plans, and doctors. That goes to patients. Patients will pay that.

So if you are buying food in the grocery store, if you are part of traveling America, if you have to go see your doctor, to a hospital, you are going to be the recipient of this $1.1 billion in new taxes.

Now, he said there is tax relief in his budget. Well, the only way an American taxpayer would see one cent of President Clinton's so-called tax relief is if they agree to buy a solar panel or buy an electric car or engage in some other sanctioned Government behavior—this in the face of $800 billion of non-Social Security surpluses that have been generated by our economy. The direct beneficiary of balanced budgets and financial discipline and disciplined spending has produced a vigorous economy which has produced massive surpluses for the first time in modern history, but this administration could not resist spend, spend, spend and could not find it in any frame to suggest, well, maybe some of this should be returned to the working people of America.

Mr. President, I see that we have been joined by Senator GRAMS of Minnesota to speak on the subject, and I am going to yield up to 10 minutes to Senator GRAMS of Minnesota to continue our presentation on this budget.

Mr. GRAMS. I thank the Senator. I appreciate the Senator from Georgia putting this effort together. I think it gets the information out about what this budget really does and does not entail.

Mr. President, I rise today to make a few observations about the President's millennium budget.

After a brief review, my conclusion is this:

First, in his quest to continue to offer something for everyone, the President's budget offers a lot of smoke and mirrors and a lot of accounting gimmicks.

Secondly, this budget is chock full of new spending, earmarks, and dozens of new ways for Washington to spend the tax dollars earned by working Americans. It is a blueprint for an even bigger Federal Government.

Thirdly, while I agree that the 62 percent of the projected surplus that belongs to Social Security should be reserved for Social Security, I do not agree with what the President seeks to do with the 38 percent of the surplus that represents tax overpayments.

He chooses to spend the vast majority of it and leaves only pennies on the dollar for very minor, tightly targeted tax relief plan that he was offered in the budget.

His plan is basically only token tax cuts that sound big, but the bottom line is it provides little or no tax relief.

Fourth, he proposes new taxes and user fees and takes tobacco settlement money from the States. Can you believe it—in times of surplus, he actually proposes to raise taxes even higher, and his budget spends the Social Security surplus he claims to wall off.

Finally, the President's budget does not save Social Security from bankruptcy.

Let me be a little more specific.

You don't have to look further than the way in which the President's budget deals with spending caps to determine if this is an honest budget.

As you know, President Clinton has repeatedly broken the statutory spending caps in the past to spend more for new and expanded government programs. Last year alone, the President and the Congress spent over $22 billion of the surplus for alleged "emergency spending" in the Omnibus spending legislation.

Nearly $9.3 billion in regular appropriations was shifted into future budgets. In my judgment, both of these efforts broke the caps, and that is why I opposed the Omnibus bill.

Also, I wish that Congress and the President could be as creative in cutting spending and cutting taxes as the President is in finding ways to spend more money for more programs.

According to the CBO, last year's budget—when alleged emergency spending is included—exceeded the spending caps by $45 billion. Even without counting the emergency spending, we still exceeded the spending caps by $29 billion.

Last year's irresponsible spending has made the spending caps even tighter for this year. In order to stay within the caps as required by law, we must cut spending by $28 billion. This would require an approximately 5-percent across-the-board reduction of this year's discretionary spending.

Instead of cutting spending to comply with the law, President Clinton actually proposes significant spending increases to expand many of the existing programs and create many more new programs. These spending increases total over $130 billion. Yet the President claims his budget does not break the spending caps.

How can President Clinton have it both ways? How can he have his cake and eat it, too? It is simple. He does it by budget gimmicks.

The President imposes new user fees and raises existing ones by $21 billion, and then counts these taxes as "negative spending" rather than as revenues.

He also devotes presumed receipts from the state settlements with the tobacco companies and a 55 cents-per-pack federal tax on cigarettes to a variety of programs to avoid the spending caps.

However, it is far from certain these taxes will be accepted by Congress, so what we have is new spending without reasonable offsets.

The President also reclassifies the increased discretionary spending for expanded military retirement benefits, again, as mandatory spending. In addition, President Clinton speeds up the FCC's collection of spectrum auction payments.

Like last year, the President has again shifted some program funding—such as the Northeast multispecies fishery—into so-called "emergency spending" to further bust the budget. And he has severely under-funded some major programs such as Medicare, knowing Congress will restore the funds.

These decisions by the President are troubling. The more I review this budget, the more questions I have about how the President can propose so much new spending and claim that he will not break the budget.

President Clinton proposes to funnel 62 percent of the projected budget surplus which represents the Social Security surplus to the Social Security