SENATE—*Thursday, March 18, 1993*

(Legislative day of Wednesday, March 3, 1993)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *ye fathers, provoke not your children to wrath: but bring them up in the nurture and admonition of the Lord.*—Ephesians 6:4.

God our Father, we pray for children—not only our own, but the children of the world. We think of the thousands of children who are starving to death. We think of the thousands of youth wandering our streets, hostage to every form of evil. We pray for these children and, though we cannot respond to their situation, help us to take seriously our responsibility to our own. Save them from being sacrificed for our work. Remind us that "children are a heritage of the Lord * * *." (Psalm 127:3), and that they are our greatest resource for the future. Give us grace to fulfill our responsibility as parents and as neighbors and as leaders. God save our children.

We pray in His name who said:

* * * *Suffer the little children to come unto me; and forbid them not, for of such is the Kingdom of Heaven.*—Matthew 19:14.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 18, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DORGAN thereupon assumed the Chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1994

The ACTING PRESIDENT pro tempore. Under the previous order, the clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

The Senate resumed consideration of the concurrent resolution.

Mr. GRASSLEY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, we are on the budget resolution; correct?

The ACTING PRESIDENT pro tempore. That is the pending business. The Senator is correct.

Mr. GRASSLEY. Mr. President, could I ask the Senator from Nebraska, does he want to speak as in morning business or is he going to speak on the budget resolution?

Mr. KERREY. I was going to ask to speak as in morning business for 10 minutes.

Mr. GRASSLEY. For how long?

Mr. KERREY. Ten minutes.

Mr. GRASSLEY. Mr. President, I will yield the floor to the Senator from Nebraska to speak as in morning business for no more than 10 minutes if I will be recognized immediately afterward and if the time of the Senator from Nebraska not be charged to either side on the budget resolution.

The ACTING PRESIDENT pro tempore. Is there objection? Hearing none, it is so ordered. The Chair recognizes the Senator from Nebraska for 10 minutes.

Mr. KERREY. I thank the Chair.

(The remarks of Mr. KERREY pertaining to the introduction of S. 610 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might use. And for the benefit of people who are waiting to take the floor, I would suggest that I probably would not be much more than 25 or 30 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, first of all, for people who maybe were not able to follow the Senate yesterday, late yesterday we started on our annual process of adopting the first budget resolution, and we are in the process by which in a macroeconomic sense we decide in broad categories where the $1.6 trillion of money that we spend annually will be going. So we are speaking probably generally about the budget situation and not to real specific programs as we might do on the specific appropriations bills that come up later in the year.

Mr. President, the Clinton budget and the modified budget voted for unanimously by the Budget Committee majority just last Thursday represents, in my opinion, a complete reversal of what was promised to the American people by candidate Clinton throughout the 1992 campaign. I think the budget is replete with broken promises, false advertising, and what I consider fiscal insanity. The American people were promised by their candidate bold change. This budget is certainly bold. But it is not bold change. It is bold-faced. I have spoken on this floor in the recent past specifically where this budget departs from the President's promises and where it departs from how it was advertised and was projected to be in the last campaign.

I have spoken about how it makes little economic sense, and I think that is what ought to worry us most, is whether or not this is good economic policy for the Federal Government regardless of whether it brings change as the President promises and whether it is something he advertised differently, the point being that if it is not good for the economy of the United States, it is not good for any reason.

Now, I want to go beyond what I previously said, Mr. President, in past speeches on the floor on the budget. This budget does not learn from the lessons or mistakes of past administrations. And for all of my colleagues here who think that maybe I would just be critical of the Clinton administration, I think I have a reputation for having been critical of the deficits of Reagan and Bush alike.

And so I stand here not to be a stumbling block to this new administration. I want this President to succeed because if he does not succeed, America will not succeed, and if America will not succeed, this will not be a very good country for Republicans to take over in 1996. We want it to be preserved. We want to do well.

And so it does not learn from the mistakes of past administrations. In fact, it takes what was done and done

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

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wrong in the Reagan-Bush years and stands it on its head, because what was underfunded in the Reagan-Bush budgets is fully funded in this budget. What was fully funded in the Reagan-Bush budget is underfunded in this budget. What was undertaxed in Reagan-Bush is fully taxed in this budget. And what was fully taxed in Reagan-Bush is undertaxed in this budget.

This is a mirror image approach to budgeting, and it is analogous to taking all the chairs that were on one side of the *Titanic* and moving them over to the other side of the *Titanic*. And, yes, the ship might be leaning more to port side than previously, but it is still headed for an iceberg.

This budget does not reflect the lessons learned from throwing too much money at the defense industry during the 1980's. And I was highly critical of Reagan doing that. Instead of more defense, under Reagan we got less and more expensive defense.

Now, in the 1990's, under this new administration and with this new budget, we run the risk of doing to domestic programs what we did to defense programs in the 1980's. In this budget we are throwing money at domestic programs. We are not reinventing Government first and then funding a more effective, more efficient Government with fewer dollars.

This budget also does not learn from the high-tax, high-spend policies of the Carter administration. We are raising taxes by $300 billion in this budget. That is the biggest tax increase in the history of the country. That is an enormous burden on any economy let alone one that is just emerging from a recession, with many of our largest corporations themselves in the process of going under major restructuring.

In this budget plan, deficit reductions occur by raising $3.50 in taxes for every $1 in spending reductions. This is very clearly a tax-and-spend budget. Seventy percent of the taxes increased will be spent by Congress under this budget. There is no change here.

Now, if the Reagan-Bush economics were called voodoo, then this is surely "deja voodoo." You heard it, this is surely "deja voodoo." Avoiding the iceberg would also require much more deficit reduction, both in the short term and the long term. In the short term, the problem is what we are adding to the debt itself.

President Clinton rightly deplores the record amounts of debt racked up during the Reagan administration and in the Bush administration, and I will say "right on."

The charts that I have here, Mr. President, show that the Clinton administration, however, will be much worse. Not that that is the intent. I do not attribute any bad or ill-intent to the President's budget.

This first chart shows that Clinton's proposed debt increase is just as bad as the actual debt increases under Reagan-Bush. What makes it so bad is that the actuals are always so much worse than what is proposed. So if history merely repeats itself, this budget resolution is a ticking time bomb of red ink.

Specifically, this chart shows the accumulation of debt since the first days of the Republic. That is this column. Then for the 12 years, 8 years of Reagan and 4 years of Bush, the top line, the red line—that is the sharply rising line—shows the trend in the national debt. You will see that that trend is soaring. The beginning, of course, is $1 trillion that was accumulated during our first 200 years of history. Then it went up to $1.8 trillion under the first Reagan term. Then, in the second Reagan term, it went up to $2.9 trillion; then to $4.4 trillion at the end of Bush's term in office.

Those are exactly the same figures that you will hear from Candidate Clinton in the last campaign. We do not and we cannot dispute those. And I do not say that that is good public policy. It is very bad public policy.

Up to where the green starts on the chart, that is all history. That takes us up to where the yellow meets the green.

The yellow represents history; the green is what Clinton proposes. We know that what ends up at the end of a term is always worse—much worse—than what each one of these Presidents proposed.

So I have reason to believe that even what is being proposed here at the end of Clinton's 5-year time span of $6.2 trillion will even be worse. I think we have every right, based upon the history of the past, to fear that it will be worse.

This 5-year budget proposes to increase the national debt from $4.4 trillion now to $6.2 trillion in fiscal year 1998. That is after 5 years. It is all right here in the chart.

Mr. President, I think it cannot be reiterated too much that that is a shocking figure.

The national debt will rise to $6.2 trillion, 5 years from now, in fiscal year 1998.

It is right here also in our committee report. On XI, on line 12, it says that in fiscal year 1998, we are going to have $6,161,400,000,000 in total debt.

Mr. SASSER. Mr. President, will the distinguished Senator yield for a question?

Mr. GRASSLEY. I will yield.

Mr. SASSER. I ask my good friend from Iowa—just agreeing for a moment, for the purpose of argument, that the chart is correct—if his figure of $6.2 trillion at the end of 1998 is correct, without the Clinton proposal, which reduces it $502 billion, then that number would be $6.7 trillion as opposed to the $6.2 trillion.

Mr. GRASSLEY. The Senator is right.

Mr. SASSER. I thank the Senator for his candid answer. Further, looking at his chart, it would appear that in the first 8 years of the Reagan term that we doubled the national debt that had taken us 200 years to build.

Is that not a fair assessment?

Mr. GRASSLEY. I have already made that point. So, obviously, I agree with the Senator.

Mr. SASSER. One final question, Mr. President. Let me ask my good friend from Iowa, whom I have the greatest respect for, as he knows, in the Bush 4-year term, we have in essence doubled the national debt that we had incurred during the 8 years of the Reagan term.

Is that a fair statement?

Mr. GRASSLEY. Yes.

Mr. SASSER. I guess my point to my good friend from Iowa is, even though the debt does go up under the Clinton proposal, if it were not for the Clinton proposal, it would go up to $6.7 trillion.

And what would my friend suggest we do, other than adopt this Clinton proposal?

Mr. GRASSLEY. Of course, Mr. President, both Republicans and Democrats, I think, will have a lot of recommendations for changing this proposal that is before us, and hopefully making it better, not only on the bottom line of what the debt is, but also in ways that we can do it without the big tax increase.

But, Mr. President, I think that obviously the Senator, the distinguished chairman of the Budget Committee, the Senator from Tennessee, does not in any way say anything that I dispute. He has repeated what I have said.

But we are here, and my point of discussion during this debate is to point out that we ought to be learning, including those of us in this 100-Member body right now, that what happened during this historical time is not good, and that what we are actually doing is increasing the debt yet. So it is business as usual. This is the proposed deficit of the Clinton budget, and we always do worse than what is proposed.

So this lesson on history, for the benefit of the Senator from Tennessee, is that we always do worse than what we plan on doing. I want us to avoid making that mistake this time.

It is very important for the American people to know, and for my colleagues to know, that there is only one measurement in this entire budget resolution that tells it all. There is only one measurement that cuts through all the smoke and mirrors, and that is the increase in the debt. Because, ultimately, that is what we owe—each of us owes and each of our constituents owes.

Out there at the grassroots of my constituency in the State of Iowa—and I will bet you it is the same in all the other 49 States—there is not a constituent we have that is going to belie the argument just made by the distinguished chairman that because this is

$6.2 trillion now, without the Clinton proposals, this could be $6.7 trillion; that somehow we are saving $.5 trillion of national debt.

What the public is going to look at, when they measure whether or not we are doing any good through the process of budgeting and cutting down on debt and cutting down on expenditures, is how much are we increasing next year over this year's level of expenditure. They do not buy the argument that some department expects to get $100 billion and we only give them $90 billion, that they are getting cut, that we are cutting the budget $10 billion. If that department got $85 billion last year and we give them $90 billion this year, the taxpaying public knows in a commonsense fashion that we are giving a $5 billion increase, not a $10 billion reduction.

I want to point out a very interesting and important discrepancy. This budget resolution that I just read from states that the deficits over the next 4 years will total $871 billion. But the debt grows from $4.4 trillion this year to $5.8 trillion 4 years from now. So that is a $1.4 trillion increase over the next 4 years—not just $871 billion more of debt. That means that the actual debt is expected to be 61 percent higher than we are led to believe, if we look only at the stream of optimistic deficits.

Mr. President, according to national polls, Mr. Clinton's budget plan was well received in the country, and maybe still is well received in the country. To those of you who support the Clinton budget, just let me say this: If we adopt the Clinton budget, the national debt will soar from $4.4 trillion to $6.2 trillion. How can that be called change, the change that was the theme of last fall's campaign and what has been talked about since the new administration started? Change is what the President promised.

This change simply does not comport with change that we were promised, nor with the change that we were led to believe we were getting with this budget. That is an average yearly debt increase of $350 billion, Mr. President. That is the real deficit; that is the real measure of what the public owes—$1.4 trillion over the next 4 years.

Let me just drive home the point, Mr. President, with a second chart that I will put up here. This chart, I think, makes the whole point a little more lucid, why the Clinton administration is starting off on the wrong foot. It shows how the President has squarely put himself behind the eight ball with a budget that fails to cut spending.

This second chart shows the difference between proposed deficits and actual deficits by previous Presidents. It shows how President Clinton's proposed deficits match up against those of the other Presidents. The most obvious fact in this chart is that reality is always worse. As you can see, Reagan thought he would only have $62 billion in accumulated deficit and ended up having $733 billion of accumulated deficit. The green bars in the chart show what was proposed. It does it for Reagan, his first term, his second term, Bush's only term, and then Clinton's term.

Next to the green bars, the red bars show us what actually happened, the actual accumulation of deficits during each President's term. Notice the very large gap there is for each Presidential term between what is projected—that is the green bar—and what is actual, the red bar. This shows that reality is always worse than projected.

The other obvious point in this chart is that, given this budget resolution that we have before us, we are in for a very big debt explosion. Clinton's proposed starting point is just as bad as the actual records. In other words, where Clinton proposes to take us is just as bad as the actual records of Reagan and Bush, whose records, I might add, Mr. Clinton constantly and rightfully deplores.

If this is where Mr. Clinton begins, he is surely going to end up off the chart someplace.

Mr. President, this is the best illustration that this budget does not represent change, and I accept change as defined by Mr. Clinton during his campaign. This is business as usual. We had this problem before this new President came to town. We had this problem during the decade of gridlock. This is not new. This is old, very old. This is not a new kind of Democrat budget. This is kind of a previous President's program. This could be Jimmy Carter. This is adding to the problem, not correcting it.

This budget is nothing more than a hangover from the decade of gridlock. All that has changed, as I said earlier, is that the chairs were switched from starboard to port on the deck of the *Titanic*, but the *Titanic* still is on course to the iceberg. If you look at the bottom line, Mr. President, the tide of red ink continues to rise at a pace equal to that of past administrations, and we have done nothing to alter the course toward the iceberg.

If there is any doubt that this budget is indeed a hangover from the decade of gridlock, let me try another persuasive argument. Last month, President Clinton met with my colleagues and me on this side of the aisle up here in the Capitol during our Tuesday caucus luncheon. There were news stories the next day quoting several of my colleagues, who said that President Clinton did not have more spending cuts in his budget because he could not get them through Congress. The White House denied these reports. Yet, we are still seeing reports saying the same thing. For example, on March 3, in the Washington Post, on page A4, there is an article entitled "Clinton Finds Hill Republicans Bearing Gifts: Proposed Budget Cuts." I would like to quote from that article. It says: "Administration officials said Clinton refrained from proposing cuts that he knew would be unacceptable on the Hill."

Now, Mr. President, if that is not business as usual, if this budget is not business as usual, I do not know what is.

Ross Perot are you listening?

I will tell you what else is business as usual, Mr. President. My offering a freeze is business as usual. That is proof positive that we are doing things the same way now that we have since 1982 when I first offered a budget freeze.

I would have expected, based on what the President promised, that he would have offered a freeze as a point of departure, and I would have offered a 10-percent across-the-board cut together with initiatives to reinvent Government.

But a freeze is all that is doable in a climate where Congress continues to protect the status quo and all the spending habits that go with it, and even then it is not clear if this amendment can carry the day.

This is a great disappointment, Mr. President, and I do hope that the American people and all of those out there who supported Ross Perot are taking note of what is going on in their capital. It is a hangover from the decade of gridlock. It was going on for 12 years before November and it is still going on.

Mr. President, I mentioned earlier that to avoid the iceberg in our immediate path we had to address both the short- and the long-term horizons so I would switch to the long term. The long-term deficit problem is best understood by viewing the stream of deficits from 1998 to 2003. The CBO baseline issued in January shows the deficit will rise to $653 billion by the year 2003. This budget will probably lower that figure but by not enough to stem the rising tide of red ink. The bottom line is a business-as-usual budget which will do little to protect against the ongoing bow wave of massive deficits.

For these reasons I offered in committee an amendment to freeze nondefense discretionary spending for 5 years. I intend to offer that amendment again here on the floor together with the help of Senator NICKLES and Senator BOND.

It is my great hope, Mr. President, that my colleagues will find the necessary courage to do what is right, to do something that we should have done years ago, to freeze spending, to help prevent a fiscal crisis of mounting debt in the years immediately ahead.

So, my message to my colleagues, Mr. President, and in a sense asking President Clinton to help as well, is to have guts, make cuts.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa yields the floor.

The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Mr. President, I yield such time to the distinguished Senator from South Carolina as he may consume.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I voted in the past with the distinguished Senator from Iowa on budget freezes, and this particular Senator has been offering freeze amendments for 10 years. But the potential for a realistic freeze, Mr. President, had largely evaporated by 1989 and 1990. Now we are beyond the point where a freeze alone will solve the deficit problem. However, yes, we ought to freeze some spending.

But the freeze the distinguished Senator from Iowa proposed in the Budget Committee would freeze health care spending for 5 years. I do not think that is going to happen. That is unrealistic.

The 5-year freeze of the distinguished Senator would freeze the FBI and Federal prisons for 5 years. That is totally unrealistic, given the growing problems that we have in law enforcement.

The distinguished Senator from Iowa would have frozen education for 5 years, yet we are trying to restart education. I well remember introducing the new Secretary of Education, Dick Riley, at his confirmation hearing. I said that America's long national nightmare in education was finally over, that we are finally going to move forward.

This crowd came to town 12 years ago and said do away with education, just get rid of the Department; let the private sector operate. And they still insist on it with respect to these tuition grants, vouchers and denigrating of public schools. They want to finance private education, not public education. They are totally twisted in their minds as to our duty.

The duty of a public servant is to provide for public education. The duty of the public servant with respect to the private schools is to leave them alone. If we are going to start funding those, then next we are going to start imposing rules and regulations.

Go down the list of 5-year freezes, and there is a freeze on transportation, environmental protection, agriculture, and so much more. So I could not support the freeze of the distinguished Senator from Iowa in the Budget Committee even though I voted for his freeze in previous years, because we were both trying to arrest and stop this rising tide of red ink.

So it is disingenuous for this crowd on the other side of the aisle to come now and say they just now discovered the red ink. Come on. After 12 years of drift and deficits, they dare to call the Clinton plan business as usual.

The truth is otherwise. We have, finally, a program from a President who says freeze, cut, abolish this, delete COLA's for Federal employees, streamline Government, increase taxes, provide investment stimulus. It is a bold plan. And all the opposition can do is produce these 12-year charts. But it is they who caused the red ink on those charts. They had been at bat for 12 years.

President Clinton didn't get elected on his economic promises. They do not understand yet how they lost. Clinton was not elected President on account of his promises. He was elected on account of the promise that George Bush made—one singular promise that he was not going to do anything about this economy.

President Clinton is doing something, and that is why we are moving along with a thoughtful, coherent program that even Fed Chairman Alan Greenspan says is good. I was up in New York, and I can tell you Wall Street thinks it is good. As to the economy, yes, people are investing, interest rates are going down. Yes, the recovery is going on, on account of the Clinton election. It was not because George Bush put anything in force. George Bush was leading us straight to a $500 billion deficit.

Look at the President's figure right today. The Congressional Budget Office figure is $361 billion for fiscal year 1993. That is without the Social Security trust fund, but with the trust funds for highways, airports, Medicare, Federal finance, all these others. If you exclude all the trust funds, you have a deficit in excess of $400 billion deficit right this minute.

So the gentleman only got to town here on January 20. Heavens above. He comes to town as the new President and in a few weeks they, all of sudden, want to marry him to the disaster that this Congress, you and I, and Reagan-Bush caused. That is who really caused it.

Come on. But, as to this rising tide of red ink, it is as though they just discovered it, and now Clinton is trying to do something about it. If he had not acted, we would have been on a deficit course of $500 billion. I do not think we have done enough on the deficits and I will make some comments on that, because I am afraid that the problem, the disaster, has not been described sufficiently or understood. We are being eaten alive by interest costs and, yes, 4 years from now we could end up with a deficit as big as the one that we inherited here from George Bush.

First, Mr. President, let me commend our distinguished chairman of the Budget Committee. I have been that chairman, and to get together with the prima donnas that we have, including me, on that committee with the different ideas and the different interests—one Senator has an interest with respect to the super collider, another wants to get rid of the space station; another one wants to do some more for agriculture; some want to do some more to reduce the deficit. There are hundreds of disparate interests and ideas that must be reconciled.

But the distinguished chairman of our Budget Committee is able to look with a broader vision as to what has really occurred. He sees that, yes, there has been a change. We do have a President and he is leading, and he has a program. So the chairman of the Budget Committee said: You have a program, put it out there where we can get the votes for it.

I had certain alternative ideas. But I could not get a program that I could rally a majority for on that Budget Committee. Others had amendments, but once those amendments were adopted, then you could not get a majority out of that Budget Committee. But under Senator SASSER's leadership we got a very good, consummate, comprehensive, realistic budget, which CBO has validated. Now compare this to 12 years of Stockman and that manipulator, Darman.

For 12 years, all we have had is tricksters.

So, without smoke, without mirrors, and with the Congressional Budget Office figures, the chairman of the Budget Committee cut the Clinton budget an additional $38 billion. Look at the charts. Look at the reports that are given to Senators. He said, "I thought we could do better." So he sat down and studied it and worked it out with the budget staff and then sold each of us on even further cuts.

So I think that is real leadership and we ought to understand and acknowledge it. We now have a real and credible document out here.

But what gets me is the fact that the opposition acts as if this thing all of the sudden occurred. And the media have feigned surprise, too. I see the press gallery is empty. In fact, that pretty well reflects their stories. They are empty.

If you want to get some term limitations on politicians, we need some term limitations on reporters. I am tired of reading how those people are constantly reporting misfacts.

I have tremendous respect and affection for Tim Russert. But I listened to him on the weekend. And he said, "Well, there is a Congressman from Ohio and he has got a budget that really gets rid of the deficit without any new taxes."

I said, come on. I have said I would consider going along with Congressman KASICH—I have gone along with Republicans, Gramm-Rudman. I do not mind. If he can get rid of the deficit and the

debt without taxes, he has performed a miracle.

But KASICH, by his own admission, has $50 billion less deficit reduction than the President, so he is $50 billion under the President, yet still complaining the President has not done anything about the deficit.

So we start with that missing $50 billion. Next, Mr. KASICH said he is sending his budget line by line to the Congressional Budget Office for them to review. That is a Gary Hart dare. Go ahead and send it over there and have it scored and they will knock out another $50 billion of it.

We know that just from working with budgets in the past. So he missed $100 billion right off the bat.

And we are not going to do away with health care as he proposes. We are trying to broaden health care to 35 million more people. Yes, we are going to have cost containment, but we are going to broaden health care coverage. And you are not going to do away with another $100 billion in KASICH's proposed cuts. So KASICH is more than $200 billion below the Clinton plan, below the budget before you today.

And we rightly claim we have only just begun the assault on the deficit. I have that particular complaint. I acknowledge that, because I am impressed to see this sincere, dedicated sense of purpose and hardworking until 1 or 2 o'clock in the morning on the part of President Clinton. He is the first President who has really understood anything about Government in years, sitting there with his staff until 1 or 2 in the morning wanting to know about this line and that line.

President Reagan never understood or even cared about the budget. He left it up to Stockman. The distinguished President Reagan always told us delightful stories. He was very interesting and amusing. President Bush, similarly, he loved to travel but, as was said by one of the wags downtown: The deficit was not caused on his watch; he was not in town at the time. Come on. He left it to Darman.

And so that is what we had to contend with. It was not leadership. It was nonleadership of chaos and trickery, and just finessing.

So now we get a President who comes to town and works around the clock and brings out a document, and the opposition dares to say there is no change. At the same time, the President is out trying to sell the major portion of this document to come later—health care reform.

Now if you can put the first lady to work, brilliant as she is and dedicated as she is, and have a track record of accomplishment as she has, they can stop all the little jabs and whining about input. We have had 12 years of input. We have the Rockefeller study; we have the Kennedy approach; we have this bill and that bill.

Last year, I think there would have been 30-some bills in both Houses proposing to deal with health care.

But now they are complaining, "We do not have any input." We have given them input. She is going all over the country, and there is no secret about it. She has to put out something realistically attainable by this U.S. Senate and U.S. House of Representatives.

So they can stop all the whining about secret meetings and the appeals before courts and everything else to again dissemble and confuse. They know better. They know we are going to get some kind of health care reform, because we have to do it.

So the President put his own name and the First Lady's name on the line—that is leadership—and said, "We are going to work at it."

Of the 400 task forces—incidentally, 100 in medicine. There are 60-some doctors and 40-some nurses, all of them working, everybody is continually being briefed. It is hard work.

In this context, it is absurd to have Tim Russert assert, "We have a man with a budget that can really solve the whole problem—get rid of the deficit and the debt without any taxes." Absolutely false.

Ask this group over here on the other side of the aisle to put in the Kasich budget and call the role and see how many will vote to decimate Amtrak, child nutrition, Medicare, Medicaid, and more. You can just go right down the lot of the things that are in there, because those make nice, little 20-second sound bites. And they have—we have—the 20-second biteitis, all of us. That is how we got here, not on our track record. By gosh, I tried to run on my record and could not find it with my opposition. So we had to put out 20-second bites.

But tell them to put out their alternative budgets and see how many votes they get to do away with health care and what they are talking about with our taxes. Let us get a rollcall vote.

It is the same on spending cuts. We made this challenge before in 1986 when the Republicans controlled this U.S. Senate, and none other than the distinguished former chairman of the Budget Committee, the Senator from New Mexico, said, "I'm tired of the talk. We are putting it up for a vote."

He put up all the Reagan cuts. And you are not going to get a better cutter than Ronald Wilson Reagan. He wanted to get rid of the Government, period; get rid of the bureaucracy on the Potomac, the Department of Energy, deregulate everything.

And so, as a result, Senator DOMENICI put the spending cuts to a vote. There were 43 cuts that amounted to about $4 billion. That is all. But they were all the Grace Commission cuts, all the cuts. They got only 14 votes. They got only 14 votes.

So let us start writing and talking and acting in the world of reality and not the lies.

I think of Vaclav Havel at the time he took over as President of Czechoslovakia.

(Mr. FEINGOLD assumed the chair.)

Mr. HOLLINGS. Havel, in his inaugural address, turned to his people and said, "We have been lying to each other for 40 years, saying one thing and believing another. Czechoslovakia has many problems, and only we can solve them."

In a similar vein, Mr. President, this morning we could as well say we in America have been lying to each other for 12 years, saying one thing and believing another.

Our United States has many problems and only we can solve them.

Lying? Good gosh, you could go immediately to deregulation. Yesterday we appointed an airline study commission because the airlines are now all going broke. We can study it for 90 days, we can study it for 90 months. There is one word to the report: Deregulation. It wrecked the airlines, it wrecked the savings and loans, and everything else. So you can go down that list.

Another lie of the last 12 years was free trade. Half of our problem is that sing-song of "free trade, free trade." There is no such thing. There never has been and never will be. We have to get a competitive trade policy. Instead, what we have been doing is subsidizing foreign protectionism. When we knock Americans out of their jobs, we have to vote unemployment compensation. So with United States tax money, we subsidize the protectionism of Japan and the other trade competitors. We protect their protectionism with a free-trade sing-song of unrealistic nature. As Red Poling, chairman of the board at Ford Motors said the week before last in my office, "We export free trade. They export automobiles."

And there is another lie that has been prominent over the last 12 years with regard to Social Security. Senator MOYNIHAN and I have been trying to make Social Security truly a protected trust fund. I put in a little amendment in 1990, requiring that you not count the Social Security trust funds to reduce the deficit. But along came Senator MOYNIHAN even with a better approach, saying we did not need to raise taxes on Social Security in January 1991. That was just one of the tax increases that President Bush sponsored. They opposed the Moynihan amendment on the grounds that we in the Congress should not mess with Social Security.

We got voted down on the spurious call, do not mess with Social Security. Yet, that is exactly what we now are doing on a massive scale. We are going to spend another $62 billion of Social Security trust fund money in this budget to obscure the deficit. And, by 1999, in 6 short years, we will owe Social Security $1 trillion. That is why

they cannot understand that when you cut Social Security COLA's, you do not help your actual deficit and your debt, you simply increase the trust fund, which is then robbed blind to hide the deficit.

Admittedly, I am trying to rebuild that fund. So I will go along with it. But it does not help the deficit and the debt. We have to bring in focus the reality of the problem on the one hand and the mammoth effort that must be made in order to really begin to tackle this problem. But the lie was, "Do not mess with Social Security" so we could continue to mess with it and use the trust fund as a slush fund to obscure the deficit, to show what good boys and girls we were, read my lips, no new taxes, and it can be done strictly by cutting spending. That argument was the big lie of the last 12 years.

Of course, the lie was we are going to grow out of the deficits. I still read this line of argument in the Washington Times. You would think we did not have an election in November of last year. They continue to write the same rubbish, these same old writers. Let us please have term limitations on these journalists and writers. Because I am tired of hearing them. They do not know what is going on. They say we will grow out of deficits—growth, growth, growth. They say, growth, growth, growth.

You cannot get elected on sloganeering anymore and symbols. You have to get real. The American people said that. Ross Perot did not discover it. He does not understand that we have a government in here that is getting real on the deficits, and Perot is still running as if we did not have an election last year.

But a talk was made here last week by the distinguished senior Senator from Texas. He said: "Reagan, he made his promises and that is what he was elected on, where President Clinton made his promises, but he is not carrying them through."

Then he went down the Reagan promises to cut the size of Government, but he did not do that, and to do this and do that. I agree. He made those promises. But he made an even bigger one. He promised to balance the budget. Instead, he tripled the debt.

I was here when we got a balanced budget under President Lyndon Johnson; 12 years later, in 1980, I went to President Carter on Friday after he was defeated and said, "Mr. President, you are going to leave the biggest deficit in the history of the United States Government and we Democrats are never going to get elected to anything."

He said, "How much?"

I said, "I have the Congressional Budget Office figure of a $75 billion deficit."

He says, "Heavens, what are we going to do? What did I get from President Ford?"

I said, "Well, President Ford's deficit was $66 billion. What we are going to have to do is a fancy word—I have been arguing with my House colleagues and we tried it a couple of times but I think we can do it—'reconciliation.' That is a fancy word for 'cut.'"

I came to the distinguished Senator from Washington, Senator Magnuson, and the distinguished Senator from Idaho, Frank Church, Senator Culver of Iowa, Senator McGovern of South Dakota, Senator Birch Bayh of Indiana, Senator Gaylord Nelson of Wisconsin. I called them affectionately "my spending friends." And I said, "Look here, you have to give me a vote. We are going to leave the worst deficit record you have ever seen. We are going to leave a $75 billion deficit and we will never get elected to anything."

We did it; the first reconciliation spending-cut bill. I have the pen from the signing ceremony. President Carter signed it and brought the deficit down. But I can tell you this. I remember well the promise President Reagan made. He said he was going to balance the budget in 1 year. That is what he ran on; balance it in 1 year. After taking his oath of office, he said, "Oops, this is worse than I ever thought. It is news to me. It is going to take me 2 years, until 1983 to balance this budget."

So he extended himself and was going to balance the budget. But he said he would balance it by means of growth—growth. He said we are going to cut all the revenues and we are going to grow out of the deficit.

Ask any mayor to cut his revenues 25 percent; ask any Governor in America to cut the State's revenues 25 percent. They would lose the bond rating, the mayor would have to get rid of the policemen and firemen. And the voters would get rid of him. They would ride that mayor out of town on a rail. I can tell you that right now. That is total economic baloney. But that is what Congress adopted.

President Reagan gave us the first $100 billion deficit, the first $200 billion deficit. President Bush gave us the first $300 billion and the first $400 billion deficit. Add it up, and go right this minute to the Congressional Budget Office. This fiscal year baseline is $361 billion and add the other $50 billion trust funds and you are up to over $400 billion. You are running at $400 billion, heading to $500 billion when we come to town. But that is the lie we told each other—read our lips—Democrats as well. I can tell you right now, if President Clinton had not said the word "taxes," you would not have gotten a word out of this crowd. I tried. I offered a VAT in 1987 to try to avoid the recession. I found out they were beginning to finesse Gramm-Rudman-Hollings. Gramm-Rudman-Hollings was a sword to prompt fiscal responsibility, not a shield for us to lie about the deficit.

So it was clear we were going to need revenues at that time, and we got eight votes out of the Budget Committee. We got two of our Republican colleagues. We could work in a bipartisan fashion at that time.

Now President Clinton comes and gives a dynamic plan, including much of what Republicans have been talking about, but they are giving us charts and business as usual. They act innocent like they just came to town, like we are just walking out of Independence Hall and Government has just started. Come on.

They have wrecked the economy. When we talk about jobs, that age group 18 to 24 in America today cannot find a job or they cannot find a job that lifts them out of poverty. You and I go around making graduation talks in May and June, "What a wonderful future you have. The future belongs to you." Heck, they walk out on the sidewalk and say, "There are no jobs. I am going back to graduate school and get a higher degree." All this retraining, retraining skills—we have skills coming out of our ears. We do not need retraining; we need jobs, we need opportunity.

They wrecked the economy and the Federal budget. You know the litany. The United States has gone from the largest creditor to the largest debtor nation. We have gone to quadrupling the debt from $903 billion back in 1981, less than $1 trillion. Now it is over $4 trillion, $4.2 trillion. The interest costs are eating us alive. Let me get to that point because I cannot make it strong enough, when you read the best of writers, Mort Zuckerman, week before last in U.S. News & World Report. He said the policy of borrow and spend in the 1980's was a deferred tax on future generations. Wrong, that is a tax on us here and now it has us into a deep hole. The debt and the interest costs on that debt are growing faster than the economy.

When George Bush came to town, he had a $5 trillion economy and as he left in January, he had a $6 trillion economy. But the debt was $2.5 trillion when he came to town and now it is over $4 trillion. So we have the economy growing by only $1 trillion, but you have the deficit, the debt growing by over $1.5 trillion. You are in a downward spiral headed to a $5 trillion debt as you come to town now. But the penalty of interest costs is not on the future alone, it is on us right this minute.

In that span of 12 years when they were going to balance the budget, as I pointed out, what did they do? They spent $1.7 trillion in net interest costs on interest and $2.4 trillion in gross interest costs. That is the Grace Commission group. Do you remember, they were going to do away with waste, with

waste, with waste? They have created the biggest waste ever in the history of man, where you go on a 12-year binge and talk about the jobs you created and then you look at 53 percent of the 18 million jobs paying wages at poverty and below the poverty line. So over half the jobs they created are below that $12,000 poverty line. We have been on a binge. We have divided our society. We have crowds who think they can shoot people on account of their beliefs, and this is the crowd that gave them that belief.

I can tell you that right now, they have wrecked the economy. Americans cannot get jobs. That crowd wrecked this budget and they want to worsen the wreck.

Why, just yesterday the distinguished former chairman of the Budget Committee, the Senator from New Mexico, started off his talk and he said, "I got a call from the airline industry; I got a call from the chemical industry." Does he not know at least from Ross Perot we have to get rid of the special interests? I got a call from all of these industries, too, but he starts off his talk like we did not have an election. He says, whoopee for the special interests.

Everybody is going to be affected. All taxes are regressive. I can give you any chart. You give me the tax, I will tell you how many jobs you lose. But they do not tell you how many jobs you lose when your interest costs are growing faster than your spending cuts. In spite of the mammoth job that has been done here, which is more than the Presidents of the last 12 years, our spending cuts for 1994 are $18 billion; look over on the other ledger, the interest costs are $23 billion. They want to stop the increase in spending as they continue the increase in spending. That is their approach on this deficit.

So there we are. We are into the soup. If your interest costs are growing faster than you can agree on spending cuts, you are going backward.

Let us get right to doing away with the domestic side of Government.

I want everyone to please pay attention to just this. For sake of argument and illustration, let us not talk about cuts, let us talk about eliminating huge chunks of Government in their entirety.

Go down the list. Imagine eliminating function 250, space and science.

Let us eliminate all the spending, the outlays for function 270 for energy.

Let us eliminate all of the function 300, the park, natural resources, the Army Corps, EPA and the whole thing right there.

Let us go to function 350. Just eliminate agriculture. Just eliminate function 350.

Eliminate function 370, commerce and housing.

Eliminate—do not cut it—eliminate transportation.

Eliminate 450, regional development, community action block grants.

Eliminate 500, just do not cut education.

Eliminate health because the trust funds are there for Medicare but to administer Medicare in this program, just eliminate that.

Eliminate 600, income security, WIC, Head Start. Do not cut it, eliminate it.

Eliminate 700, Justice Department, eliminate the FBI, the border patrol, the immigration service, the judges, the justices, the courts, the Supreme Court.

Eliminate the President's staff, eliminate the Congress, general Government, the IRS—we will all vote for that—eliminate the IRS.

Just eliminate it all and then add it up and see where you are. You have eliminated domestic discretionary spending—they are talking so big—right this minute it is $229 billion.

I just gave you the figures. You are headed to a $500 billion deficit this minute. Subtract the $229 billion and you still have at least a $200 billion deficit—and that is after totally eliminating most of the Government other than defense.

So, heavens above, quit running home to the Rotary Club talking about how spending cuts alone will solve the problem. Clinton has a solid program there, but I think we ought to cut spending more. But we can only go so far. Eliminate the entire blooming thing—all of domestic discretionary spending—and you still have $200 billion in deficits.

Then they go and talk about defense. And we have closure of bases and a drastic situation in my own backyard. But do you know what they try to do? Politics as usual. They try to blame the closure of the bases on President Clinton.

Now, let me educate you about that. We got together in 1988—I remember well in 1972 the U.S. Army tried to close Fort Dix, and for 20 years they could not get it closed. We said this is ridiculous; we have to get together and have some kind of plan that politically sort of spreads the responsibility but gets the job done.

And so President Bush and the Congress agreed on a procedure, and with that particular procedure we had a wave of closings in 1988; we had a wave of closings in 1991. They closed my Myrtle Beach Air Base. The other side did not holler politics then. And now they are closing the Charleston Navy Yard and the economy of my own hometown. The Republicans are saying we are weakening defense. Well, I yield to no one in my zeal for a strong defense.

But look at the facts. Add up the first term of Ronald Wilson Reagan, the total outlays in defense—$877 billion. Add up the first term—and I emphasize, gentlemen, the first term—of President Bill Clinton—$1 trillion in defense outlays. We are going to spend $1 trillion even with the cuts that they say are devastating defense. The outlays right this minute are $294 billion on defense and over 4 years we go down to $250 billion. Nonetheless, President Clinton will spend more on defense than Reagan in their first terms.

So you can throw these figures around and terrorize these writers up here, but they do not bring it into focus. We are going to spend way more even without communism in Russia because, heavens, we do not need a standing army with Russia now. Yes, we are worried about nuclear. We are worried about their missiles. But we are no longer worried about the army coming against Germany and France right now.

Yet even without the threat of the Soviets, we are going to spend way more, with the cuts, under President Clinton for defense than what we spent under the first 4 years of President Reagan, who is, in my opinion, given a large credit for the fall of the wall, because I was for increasing defense along with President Reagan. I supported him in the deployment of the Pershing intermediate-range missiles in Europe. It was a sort of put up or shut up, and we were putting up. And, yes, we were, as a result of that, spending the Soviet economy into defeat.

So I commend President Reagan for that. We were in lockstep.

But let us not say, now that we have spending cuts, base closures, and everything else of that kind, that we are decimating defense. Certainly, the latest wave of base closures is the third wave to occur under the Bush defense budget.

Now, let me agree in a breath that the Clinton cuts will be more than the Bush cuts. But let us pass it in September-October this year, and then let us look at 1995 and say this is what Clinton did. But, heavens above, this is what Bush did, and you do not think President Clinton, as good a politician as he is, came to town and said, "I want to run over to the Pentagon and start closing bases."

When I asked him way after we had had a hearing over there in the Pentagon, he said he had not seen the list. I do not blame him.

The process is similar to how we now hire postmasters. We have it now, Mr. President, that if I recommend you for postmaster in Madison, WI, it is a felony. It is a crime. We were so assiduous to make sure that Congressmen and Senators could not recommend anyone for postmaster, we made it a felony. And that is exactly the attitude of a President coming to town with all the budget and Cabinet and all the problems he has, Bosnia, Somalia, Haiti, everything else. I do not see how he does it. The poor man did not even know where the Pentagon was. He sent

one fellow over there and it gave him heart trouble. We do not even have a Secretary of the Navy for me to appeal to. Heavens above.

But that is the other side's whole political strategy of politics as usual. They are the guardians of gridlock. That is the way they want to posture themselves. They will not put up a plan at all.

So what we have here at best is the big change. Let me get to that because I am going to have time later, the distinguished chairman will give me time on a VAT amendment. I want to put in a value-added tax. The reason I want to put that in—and I have talked to Leon Panetta, I have talked to the Vice President, I have talked to the President, I have talked to Mr. Rubin, and I have talked to all the people I can find, Alice Rivlin and others—I have shown them how 4 years from now we end up almost with as big a deficit even after enacting the Clinton plan.

Look at the particular deficit without Social Security in your budget report, and it is not $187 billion in 1997; it is $272 billion. And then you will get slippage. This is just the first go round on the floor of the Congress here in March. I can tell you by the end of the year these figures slip; you are back up to over $300 billion. And come election year in 1996, I do not want my President being accused of ending up with a deficit as big as he inherited from President Bush.

The reason that occurs under this splendid document—and I support it like it is and I will vote for it like it is, but I want to do more. The reason for that is no one has told the truth that we are headed at the particular moment for a $400 to a $500 billion deficit in 1997. We have the interest costs eating us alive. And we cannot even get on top of the economy with jobs and all the things to be done with the stimulus package.

But we do get a President who tries. Now, that is a big change. Because I had to talk to a group at home and they would say, "Well, tell me about President Clinton," I studied him. I was not in the loop. I was not BC—before Clinton—or FOB—friend of Bill. I would like to be one. But I had to survive, and in my State Bush is overwhelmingly popular. In fact, if you had a vote there today, I would hate to see the outcome. That same crowd that is hollering "politics," they better not holler politics on base closures because I am a gone gosling. Maine and New Hampshire voted for President Clinton. My State voted for Bush.

So I was doing my best to help the cause of the Democratic Party and help President Clinton get elected. But you could not call me a Clinton stalwart, and I have been studying him. And the big change is, one, the gentleman likes Government. Now, you have to like Government, Mr. Chairman, to stay down there in Arkansas for 10 years and make $35,000 a year.

I mean any fellow with a Yale law degree, who is a Rhodes scholar, can come to this town, and he starts at $200,000 at age 25. Then read the financial statements of all of these folks who have been at it for a few years, after retiring from the Cabinet. He would be up there at the million dollar mark like all the rest of them.

So he is totally unselfish. He goes down to his little State—and I come from a little State. I made $15,000 as Governor. I do not want you to say that I was overpaid. I made $15,000 a year for 4 years.

This gentleman made $35,000 annually for the last decade as Governor. But he works on the problems at the local level, on education, on the environment, on law enforcement, and all those particular problems, with a total familiarity over a 10-year period. He likes it. He comes to Washington not thinking that he ought to be the President.

We have a hundred of us here, and we all think we ought to be the President. I know. I know all of us. And I tried. We all thought we ought to be President, and Lord knows the last two thought that they were the crown.

I mean President Reagan tried for 4 years, and he finally arrived. He knew he ought to be there. Once he arrived, he turned the hard work over to his staff.

Bush was Vice President and had been in Government. He was accustomed. His whole life in a particular role was in Government. And he finally arrived there. He thought he ought to be the President. There was not any way for him to lose in 1992. That is why he ran a sorry campaign. There was not any way for him to lose to this little Governor from little Arkansas—because he thought he ought to be the President.

President Clinton does not think he has a divine right to be the President, and he is trying his case. I dreamed of taking the job. And, if I took it in the next 10 minutes, I would need help because I know I ought not to be the President. I would need the best and the brightest, as Kennedy had around him.

Now we have the best and the brightest coming in at every level. You name secretary for secretary, and I will compare them. This is a far superior, more outstanding Cabinet than what we have been seen with for the last 12 years.

Many of the Reagan-Bush Cabinet headed off in disrepute. The President himself had to pardon his Secretary of Defense because the Secretary was about to implicate him in what we knew he knew, and then had to make a sweetheart deal with the White House Archivist. He learned something from Rosemary Woods—get rid of the record. Leave town under a cloud. Come on.

So we come to town with a President who likes Government, who wants to work on the problem, who, by gosh, knows who he ought to be, and knows he is on trial himself; working around the clock with a staff and everybody else involved, and willing to lead. That is the change.

The distinguished Senator from Iowa offers no change. We have a President who says, here I am, and I am going to freeze everything. You are not going to get any Government increases. Man, I can tell you, there would have been a howl if it had been anybody else. He quieted me down. He said, we can do it. We finally have a fellow who is going to cut the White House 25 percent.

He has me cutting my Commerce Committee 10 percent, and my staff. Clinton said, do not, by gosh, disassemble Government—by gosh, streamline it, trim it down. He went down through the departments in this budget; the streamlining and the cuts. He had the Vice President working on further cuts. What more does the other side want? What more do they want?

So he has been working on all of those things. He last confronted the biggest headache of all in domestic government—health care, with the First Lady.

What more can you ask than that? He is working around the clock.

Let me say a word about the stimulus package. The stimulus package is probably best considered in the context of investment. Last year, over a year ago, in fact the year before last, I thought we ought not to have just spending cuts and freezes. But we ought to have investment in the public and the private sector, the investment tax credit, capital gains going down on the private side; and then on the public side, women's, infants', and children's feeding, Head Start; go right on down in transportation, to get jobs done because you have a very tenuous situation.

I will never forget President Clinton telling us that John Major, the Prime Minister, was coming over. Major said, look, for the next year or so there is going to be zero growth in Europe, Japan economically is in bad shape, and you, the United States, are going to have to be the economic engine for the recovery of the global economy. We run up almost a $500 billion deficit and we have to, all of a sudden, be the engine for world growth.

So on that particular score, the President has come up with the chassis for that engine. And with the investments he put in there, with respect to the private side, we do have the capital gains cut, we put in unemployment compensation, the investment tax credit. And on the public side, he boosts investment in WIC, child care block grants, Head Start, summer jobs, vaccinations, roads, highways, airports, community development block

grants, weather services, small business. I favor all of them. In fact, you have economists like Robert Kuttner and others who say we ought to have a $60 billion stimulus package.

But I think the President has come down pretty good on the stimulus. Highways, that is not uncalled-for stimulus. That is finally spending highway trust fund money on the highways. The highway users paid the $19 billion in tax, and we have been siphoning $12 billion of the $19 billion to hide the deficit. We have been using $12 billion on the highways and only $7 billion on the deficit.

With respect to the airport and the airways, we have not built any except out in Denver. So we come around and we use $7 billion or $8 billion of the airport and airways trust fund, but not on airports and airways; we spent it on the deficit.

They call that increased spending. Any time they can get increased spending, they do not want to talk about the increase in spending with respect to the interest costs that are going out through the roof.

On that basis, I want to get that deficit really down. And the only way to do it is the way we proposed the year before last: a 5-percent value-added tax with revenues going into a trust fund for the deficit, the debt, and health care. Look at my talk on the floor the year before last, over 2 years ago now. I said that is what we ought to do. Put the revenue into a trust fund for the deficit, the debt, and health care costs. A 5-percent value-added tax.

Our competition in Europe has an average of 16 percent. Out in the Pacific, Korea has 13 percent. It is not ruining their economies, it is propeling their economies forward.

It is time we paid the bill in America. But in order to pay the bill we have to understand the terrible dilemma economically that we find ourselves in. We are not running a $300 billion deficit, we are not running $400 billion, we are headed this minute to a $500 billion deficit. To bring it down to $272 billion is a feat in and of itself. I support it. I support it very strongly. There is no credible alternative out here on the floor in this Congress to be considered. None of these plans, the Senator from Colorado's, the Congressman from Ohio's, or anything else they had up, the Congressional Budget Office, [CBO]—all of those things. You will find you have bigger deficits.

I have tried. I offered a package last year with the Senator from Missouri, the Senator from New York, two Republican colleagues, the Senator from Nebraska, the Senator from Alabama, Democratic colleagues, and others. We put out a package of not increasing the deficit and the debt, without increasing taxes, and bringing in a budget. We supported it strongly. But we could not get anywhere.

Now having had that experience over the years, working on freezes, working on Gramm-Rudman-Hollings, working on taxes, that studied viewpoint, I can look at this and say I agree with Alan Greenspan. And I agree with the chairman of our Budget Committee. This is a heck of an accomplishment at this particular time. I want to do more. I hope we can get to do more. I think they really are holding back. This is my own suspicion for the health care cost. But I would rather pay for that future health care reform costs in this budget now. Not the health care programs, obviously, but as it affects the budget. Put the cost for health care, whether it is $10 billion, $20 billion, $30 billion, into this budget. The rest of it goes in that trust fund for the deficit and the debt over at Treasury.

I thank the distinguished chairman.

Mr. SASSER. Mr. President, I want to express my appreciation to the distinguished Senator from South Carolina for his statement of support of the Clinton budget as modified by the Senate Budget Committee this morning. I want to particularly express my appreciation and thanks to my friend for the kind words that he said about the chairman of the Budget Committee. The great work that the Budget Committee did in the past week would not have been possible without the cooperation and encouragement and constructive advice of the Senator from South Carolina who, in times past, has served as the chairman of the Budget Committee. He has been a source of support and sound advice to me over the past few weeks.

Mr. President, I see the distinguished ranking member wants to speak.

I yield the floor.

Mr. DOMENICI. Mr. President, maybe the chairman can remain for a moment and just exchange some views with me. It is my understanding—if we read this Budget Act, it says that 4 hours shall be used, equally divided, to discuss the broad economic issues, which I assume means that he is hoping that we would use that up before we have any amendments?

Mr. SASSER. Yes; it would be my hope that it would. We have other Senators on our side who want to address the economic issues.

Mr. DOMENICI. Let me suggest that we have not always—in fact, more times than not we have not used the rule that you do not offer amendments during that time. It is up to either side if they want to use it all. But I will agree with the Senator that we are going to try to add up some time on our side for people who want to be heard. I think we have 43 minutes left. If we used all of my time last night, which I said was going to be on economics, and what has been said by Senator GRASSLEY, we have 43 minutes left.

The PRESIDING OFFICER. The minority has used 1 hour 53 minutes.

Mr. DOMENICI. How much has my friend used?

The PRESIDING OFFICER. Two hours 40 minutes by the majority.

Mr. DOMENICI. Before I make a proposal, let me just ask the distinguished chairman, as the Senator knows, on our side, based on what occurred in our committee and what other Senators that are not members have talked about amending, we have many, many amendments. We will try to get together, once we have decided how we are going to go about this process, and sort of itemize ours in terms of which ones we are going to take up in some kind of order. We cannot do them all. We cannot get this list for everything. We can get it for 5 or 6 so we will know where we are going, and maybe we can get 5 or 6 on your side.

I am hopeful that we can do that, and we will assume that we have 43 minutes left on our side, because that kind of fits with some arithmetic that I have done. We will not use any more than that in these opening remarks, and we will be ready for amendments after that. Can the Senator tell me how much time he might want to use before we get to an amendment?

Mr. SASSER. I say that we will want to use at least an hour. We have the distinguished Senator from New Jersey, who wishes to speak. I see the distinguished Senator from Maryland, who has arrived on the floor. I would say approximately an hour on our side, maybe a little more. The distinguished Senator from Maryland is asking for a little more. I suspect I can yield some time off of the bill to my friend from Maryland. Perhaps we could set a time for beginning amendments at 2:30.

Mr. DOMENICI. Well, let me just say there is no intention on my part at all to keep Senators from speaking. The problem is, we are under a 50-hour timeframe overall, and we have a lot of amendments. Your side apparently has some.

Mr. SASSER. We do.

Mr. DOMENICI. To the extent that we do not get on the amendments, either your side is going to get shortchanged on amendments, or we are; so I urge that we get on amendments as quick as possible.

Mr. SASSER. I suggest this to my friend. Why do we not begin here and see how we get along? Maybe we are going to move faster than we would anticipate here in the beginning.

Mr. DOMENICI. Then, do I understand that—in the past we have had a rotation. If you go first on an amendment—and I assume you will—you tell us what that might be, and we will tell you what ours is, and we will go back and forth.

Mr. SASSER. That is fair.

Mr. DOMENICI. He will have the first amendment on his side.

Mr. SASSER. We would take the first amendment and yield to the minority

to offer their amendment and back and forth.

Mr. DOMENICI. What I want to do for the purposes of managing our side—we ought to talk later on with the leadership about second-degree amendments one way or another. We are willing to have none on our side, if you have none, and have everybody's amendments taken up. Otherwise, I am very fearful that on the first amendment there will be second-degree amendments. I think maybe the Senator does not want that, and I do not want that.

Mr. SASSER. I think we should take that up with the leadership before we get into amendments.

Mr. DOMENICI. Mr. President, I believe that I am going to turn over management of the time to the Senator from Missouri, Senator BOND. He will speak, and he will invite some Republicans who feel they ought to speak early on, and he will manage our side; and we will be very cooperative in trying to use up as little as possible and be on the floor at all times.

So I ask the Chair to recognize Senator BOND as the manager on this side for the allocation of time, not for introduction of amendments. He knows that.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. BOND. Mr. President, I thank the ranking member and the chairman of the committee. This is a very serious matter that faces us, because the deficits, the annual shortfall between revenues and expenditures, and the 4 trillion dollars' worth of debt which comes along as a result of it, are the major economic problems facing our Nation today.

The deficit and the debt are drags on our savings, drags on our productivity; and they threaten the economic prosperity and the future of our children. This is something that I believe is well understood throughout America. People in the real world know they have to live within a budget. Businesses have to live within a budget, as State and local governments have to, and they are very concerned that the Federal Government cannot.

I came to this body with a serious commitment to reduce the deficit, and I have fought for all kinds of proposals, such as entitlement cuts, defense cuts, program terminations, freezes, caps, line-item veto, balanced budget amendment. I even voted for the 1990 budget agreement, its caps and yes, its taxes.

Last year, I was one of only 28 who voted for the Nunn-Domenici proposal to cut defense, freeze other spending, and limit the growth of entitlements, which would have eliminated the deficit before the end of this decade. I still think we are going to have to come to something like that, because what is so clear to me today is that the only way really to cut the deficit is to cut spending.

Four times over the past 10 years, taxes have been raised, and what happened? The deficit is twice as big today as it was when tax raising began, and the economy is weaker, and our future is bleaker. That is because Congress has shown no ability to use the new revenues to reduce the deficit. Instead, spending is allowed to grow even faster.

Yesterday, an interesting article appeared in the Washington Post on the death of C. Northcote Parkinson. He created Parkinson's law, which said that work expands to fill the available time. His second law was the expenditure rises to meet income. The corollary was that, with Government, expenditures rise more than income. Governments, he said, would spend whatever they had and perhaps a bit more; thus, if Congress were to raise taxes, they would raise spending.

Well, it turns out that that is exactly what has been going on. The Joint Economic Committee has studies that show for every $1 in new taxes in recent years, Congress has gone ahead and spent $1.59 cents; that does not reduce the deficit. That is Beltway math. Out in the real world, you know you cannot reduce the deficit on that kind of formula, even if you do it in volume, which is unfortunately what we do.

I was very much impressed by my good friend and former gubernatorial colleague, President Bill Clinton, when he came before the joint session and he spoke admirably and strongly about his view for the future and his view of the economic program. He sold the sizzle, and he sold it very well. He is a compelling speaker and a dedicated person. But if you look back through the campaign, during the campaign, he said he would cut $2 of spending for every $1 of new taxes. After the campaign, his Budget Director reiterated that pledge. But then in his State of the Union, he said he was going to have a $1 spending cut for $1 in tax increase. It was going to be equally divided, he told us. Now we see that it is $1 of cuts for almost $4 of spending.

Mr. President, that reminds me of a problem that happened in a small restaurant back in my State. A friend of mine went in to order rabbit stew, and this place was supposed to have good rabbit stew. He started eating the stew, and he said, "This tastes funny."

He called the chef over and said, "This does not taste like rabbit. As a matter of fact, this tastes like horse meat."

And the chef said, "Well, yeah, I did have to stretch it a little, so I put in a little horse meat."

My friend said, "How much?"

He said, "It was equally divided."

I said, "Explain to me what you mean by 'equally divided.'"

My friend said: "Well, I put in one horse and one rabbit."

That is the problem that we have with this Clinton budget plan. He has 313 billion dollars' worth of taxes and user fee horse meat and only 81 billion dollars' worth of bunny rabbit spending cuts. But he keeps selling it as rabbit stew. And then, when you look at it real closely, the rabbit is actually 74 billion dollars' worth of defense cuts. We should have a dead eagle down there and maybe a little bitty mouse. A little mouse got in the stew. That was $7 billion in domestic spending cuts.

Mr. President, that is not going to sell. That rabbit stew did not sell back home and this economic plan is not going to sell back home either. We have to get more rabbit in this stew. We have to get some spending cuts.

I believe very sincerely that the massive tax increases in this package will accomplish only two things. First, they will choke off the recovery and cost us jobs. Second, they will be used to pay for new programs not to reduce the deficit. As you look at the long-term projections, under the Clinton plan, you see the budget deficit coming down in the first years as we implement the defense cuts. But because we have not dealt with entitlement programs and have not cut spending, the deficit starts going back up in fiscal year 1997, and gets to $400 billion annually by the year 2003.

These tax increases will cost jobs, I think millions of jobs. I met on Monday of this week with people who are in the barge business, who use the inland waterways. The five-hundredfold tax increase on user fees on inland waterways would raise more money than the entire domestic barge industry earned last year. The American Farm Bureau said those taxes would raise 7 to 8 cents a bushel for corn and soybeans being shipped out of the Midwest for export to New Orleans. Farmland industries in my home State said it would be 10 to 12 cents. The real answer is it will put the barge industry out of business, meaning 50 percent of the transportation capacity from our part of the country. And the Btu energy tax will cost, I believe, a million jobs. For anyone who wants the study on which that was based I can provide the DRI model for them. The energy tax will devastate not only the energy industry but also the transportation industry, the aluminum industry, and it will hurt agriculture and rural America.

I talked with a representative of TWA. This Btu tax when fully implemented will cost TWA $50 million a year in 1995 and 1996. That would wipe out their profits that they project for 1995 and 1996, and threatens the future of the industry.

The average Midwest farmer under this Btu tax will have to pay $500 to $700 a year on a small farm, according to studies by the Farm Bureau, but some individual farmers who kept good

records say it will cost them a lot more than $500 to $700—more in the range of $1,500 to $2,000 on many family farms that are engaged in commercial production.

Mr. President, back in 1990 there were some on the other side of the aisle who thought a luxury tax on boats was a good idea. They said soak-the-rich. Let us put a 10-percent tax on luxury boats. Boy, we are going to sock it to them. Do you know something? Taxes change behavior. The rich people stopped buying boats or they bought boats from overseas. They did not pay the taxes, and the men and women who worked in the boatbuilding industry lost their jobs. We lost revenue, their salaries. We lost the taxes on the profits of their employers.

Mr. President, I am afraid this is the sort of thing that is going to destroy our economy if we keep taxing jobs. What we need is a package which makes real and meaningful cuts in spending. It should encourage family savings and long-term investment, and it should lock in cuts before anyone starts looking for new taxes. We need a real rabbit stew, not a horse and rabbit stew.

I answered President Clinton's call for additional spending cuts. I sent him my proposals. They provide an additional $220 billion in cuts to reduce the deficit by terminating programs, reforming entitlements, trimming pork, cutting the Congress and White House.

I will be happy to share any of these with any of my colleagues who want them. I cut out the superconducting super collider. The Clinton administration extends it, and actually adds $2 billion more to it. I cut out the mission to Mars. I cut out the EPA green lights program. It is only a $60 million a year program to convince Fortune 500 companies to incorporate energy efficiency modernization. Hey, if they are going to save money let them do it themselves, rather than making the taxpayer pay for it. I privatize crop insurance. I made Medicare reimbursement rates apply to Federal employees and to Members of Congress as they do to senior citizens. I would put Medicaid under managed care. We tried that in our State and it works. It would save $20 billion over 5 years. I would reform the CDBG grants by eliminating the entitlements for wealthy communities, and I would cut President Clinton's proposed new spending increases by 80 percent.

In the Clinton plan that has been presented to us, in order to offset the significant increases in the nondefense area they have listed cuts of supposedly $70.9 billion. But let's take a look at some of his cuts. Other administrative reforms, $11.3 billion; streamlining Government, $12.1 billion; reducing personnel 100,000, $10.5 billion.

These are awfully dubious. Take a look at today's Federal page in the Washington Post, because they are beginning to point out where the smoke and mirrors are. Eliminating authorized positions is a great way to achieve paper savings, but unless you actually put people out on the street, you aren't cutting the size of Government.

A couple of weeks ago an article said after all the much highly vaunted cuts in the White House staff the members of the press found more people at more desks. Where did they come from? I suggested smoke and mirrors.

Just like the President, I was a Governor once and we talked about streamlining government and making savings, and that was very important. But I am from the show-me State. I want to see where those real savings are coming from. I tell you it requires a good sense of humor to claim specific savings in advance in a budget document where you do not even lock in the numbers and, as an aside, I would point out that in the Budget Committee when my colleague from Texas, Senator GRAMM, offered an amendment to lock in the savings it was defeated. But worse than the sense of humor it requires to propose to claim those savings in advance, it requires an unreasonable suspension of prudent skepticism to accept these on the cuff.

I have to address one other saving; $16 billion is claimed for moving from long-term to short-term interest rates in the financing of our Federal debt. They claim to lock this in the budget; that is where the savings is going to come from. Yesterday we had the opportunity to hear from the Secretary of the Treasury and the Chairman of the Federal Reserve. So I asked him. I said, "How can we claim in the budget that we are going to save $16 billion by going to short-term interest rates rather than long term?" And they both said, and I agree that it is something that is a reasonable management tool that must be considered, but the Chairman of the Federal Reserve warned that we could not promise it or lock it in or specify it legislatively, because it is a very, very critical skill to be able to manage the maturities of the debt instruments, the Federal Government issues.

There is a marketplace reason why the long-term interest rates are higher and we would be betting our judgment against the marketplace if we said we could finance all of that debt short term.

Mr. President, you know the last time someone made a bet like that on a big scale, went for the short term interest rates at the expense of long term, borrow short and lent long, was the savings and loan industry in the seventies and eighties. They made a bad bet. We as taxpayers are having to bail them out by $150 billion. We ought not to be claiming in the budget document that we can lock in savings by mandating how the Treasury is going to manage their maturities of their debt instruments. Certainly, it requires all the skill that the Treasury has, and with the leadership of our former colleague I am sure they will do a good job, but they may find that the savings aren't there. You cannot claim the budget is going to save $16 billion, because we are going to switch everything to short term maturities tomorrow and not be risking the same tragedy that befell the savings and loans—and then the American taxpayer.

Mr. President, in the Budget Committee I offered four simple, easy to understand amendments. One was for specific savings in entitlements, to go to managed care in Medicaid. One was to cut pork by enacting a line-item veto to get the $9.8 billion that the President claimed would be spent were he not able to exercise the line-item veto.

I also offered an amendment to cut new spending by 50 percent. And the last is a classic case of if at first you do not succeed, try, try again. I even offered to reduce his new spending by 10 percent.

All of these amendments, I feel, were good amendments and should have been supported. I think the American people, if they had their way, would support them. But, in lockstep fashion, they were all rejected on a party-line vote.

Our economy needs real spending cuts, not real tax increases.

This budget resolution is a jobs killer. And, as more and more people see and understand what is in it, more and more are expressing their concerns.

Taxes do not create jobs. And many of the taxes in the President's plan will go even further and cost us jobs.

Unfortunately, this is the plan we have before us. It is not shared sacrifice. It is shared foolhardiness.

I oppose this plan. I ask and plead with my colleagues, especially those on the other side of the aisle, to resist the President's call for blind adherence to his budget of job loss and deficit increase, to think of what is best for the people in their States, and to help us take the horse meat out of this rabbit stew.

Mr. President, I reserve the remainder of my time.

I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. SASSER. Mr. President, may I inquire of the Senator from New Jersey how much time he will require.

Mr. BRADLEY. Thirty minutes.

Mr. SASSER. Mr. President, I yield 30 minutes to the Senator from New Jersey.

The PRESIDENT pro tempore. The Senator from New Jersey [Mr. BRADLEY] is recognized for 30 minutes.

Mr. BRADLEY. I thank the distinguished chairman for yielding.

URBAN COMMUNITY-BUILDING INITIATIVE: A SUMMARY OF SPECIFIC LEGISLATIVE PROPOSALS

Mr. BRADLEY. Mr. President, it was less than a year ago that we watched Los Angeles explode in riots across our television screens, followed by the parade of people saying it was time to do something about our cities. And of course, nothing was done.

There are no cities burning today—no shopkeepers protecting their stores with guns right now—no mass looting or mass angle being played out on neighborhood streets at the moment. But that does not mean the problems are gone.

I do not believe we can wait until the next urban crisis to start doing something about the problems facing our cities.

Last year I spoke on this floor to paint a picture of America's cities. I described places that were poorer, sicker, less educated, and more violent than ever in my lifetime. I described places where plummeting incomes, skyrocketing unemployment, deteriorating physical conditions, and an absence of meaning in people's lives come together at the barrel of a gun, places where fear covers the streets like a sheet of ice. I talked about the cost of neglect to our economy and our humanity if we do nothing.

Today I want to show a new picture of the same places. It is a more hopeful picture, though there has been no great change. But life in cities is always full of more complexity and more hope than either the media or the politicians want to admit. Today I want to talk about converting despair to hope, about the cities in which it is already happening, and about how human beings in the midst of the turmoil can become islands of courage and dedication, about how we can build bridges to connect islands and bring us all together.

Dedicated individuals in every city have built communities for themselves by inventing new tools. With little help and less encouragement from government, they have had to recombine and reinvent government programs intended for completely different objectives in order to make them do some good. Today I am announcing my urban community-building initiative, a package of bills that will take the tools invented at the community level, and use the power of Government constructively to make those tools available to every community where there is the will and imagination to make them work. These are tools for creative communities to achieve self-improvement.

Life loses its meaning where there is no community. Community today means the chance to build a better future with savings and capital for economic growth, safe streets and comfortable public spaces, education and skills, and strong families. People who share goals and a common effort are people with a purpose in life. But where young people languish without work skills and public spaces crumble, while no one makes the connection between work to be done and people to do work, there is no community. Where there are 10 check-cashing shops for every bank or credit union that lets people borrow and save for tomorrow, there is no community. Where police respond only to crimes that have already taken place, arriving too late to help people who are strangers to them, there is no community. Where children are born to teenage mothers who do not know the effects of drugs on a fetus or a child, or why a child cries, there is little chance of a community for the next generation. Where the Government's only effort to help people escape poverty is a futile flow of income for spending, while Government penalizes savings and investment, there is no community. Where cities are nestled in prosperous metropolitan areas that generate thousands of entry-level jobs a year, but those jobs are only in suburbs, accessible to poor people only by a bus trip of several hours and transfers, there is no community.

Last year I painted three possible futures for urban America.

One was abandonment meaning recognizing that with the billions of investment in the national highway system which led to suburbia, corporate parks, and the malling of America, and with communications technology advancing so fast that the economic advantages of urban proximity are being replaced by computer screens, in those circumstances, the city has outlived its usefulness. Like the small town whose industry leaves, the city will wither and disappear.

The second possible future, encirclement, means that people in cities will live in enclaves. Politics will amount to splitting up a shrinking economic pie into ever smaller ethnic, racial, and religious slices. It will be a kind of clockwork orange society in which the rich will pay for their security, the middle class of all races will continue to flee as they confront violence, and the poor will be preyed upon at will, or will join the army of violent predators. What will be lost for everyone will be freedom, civility, and the chance to build a common future.

Conversion, on the other hand, means winning over all segments of urban life to a new politics of change, empowerment, and common effort. Conversion is as different from the politics of dependency as it is from the politics of greed. Its optimism relates to the belief that every person can realize his or her potential in an atmosphere of nurturing liberty. Its morality is grounded in the conviction that each of us has an obligation to another human being, simply because that person is a human being.

There will not be a charismatic leader here but many leaders of awareness who champion integrity and humility over self-promotion and command performances. Answers will not come from an elite who has determined in advance what the new society will look like. Instead, the future will be shaped by the voices from inside the turmoil of urban America, as well as by those who claim to see a higher picture.

Conversion requires listening to the disaffected as well as the powerful. Empowerment requires seizing the moment. The core of conversion begins with a recognition that all of us will advance together, or each of us will be diminished; that American diversity is not our weakness but our strength, and that we will never be able to lead the world by the power of our example until we have come to terms with each other and overcome the blight of racial division on our history.

The Government in Washington cannot create community where there is none, or generate a commitment to the politics of conversion. But we can provide tools to those who are committed to building it for themselves. That is the idea behind the urban community-building initiative which a group of Republican and Democratic Senators will introduce next week. These eight bills offer innovative, cost-effective solutions to each of the obstacles to community that I have described. The total cost of the package is only $1.45 billion a year, but taken together, it represents a massive investment of innovation and new thinking. These ideas will seem untested only in Washington, where this is a very new approach, but in the streets and community-based organizations where these ideas were born, they are hardly outlandish.

The first proposal is the Neighborhood Reconstruction Corps. I have spoken here and in the past about the deterioration of public spaces and the vast number of young people, with a high-school diploma or even a long work history, who need skills and work. But today I want to speak about people who are gaining skills and public spaces that are being improved. In East Harlem, for example, Dorothy Stoneman started YouthBuild in 1978 to give young people both basic education and marketable vocational skills. While getting their high school equivalency diplomas, they have rehabilitated hundreds of abandoned buildings to create affordable housing. Other programs, such as developer James Rouse's Enterprise Foundation, have shown in Baltimore, Detroit, Miami, and other cities that local companies are willing to participate in rebuilding the cities in which they prosper.

To combine the idea of improving job skills with the idea of asking private companies to help build an economically healthy community, I have devel-

oped the Neighborhood Reconstruction Corps. This demonstration would provide Federal funds to match private investments in light infrastructure projects for public entities. For example, if a local company was willing to put up money to help repaint an inner-city school, or to refurbish a neighborhood center, some money would be available but only if an important condition was met: The project must employ a Neighborhood Reconstruction Corps, a corps of disadvantaged workers who would be organized and trained for light construction by a community-based organization. The first idea might come from a company that realizes its own profit depends on clean, modern roads and good schools and housing. Or the initiative might come from the community-based organization that first assembles a Neighborhood Reconstruction Corps and then seeks out companies that want to undertake projects. Everyone must work together—the private business that will put up at least half the money, the local government or school system, and the community-based nonprofit—and if they do, the Government will be there to help.

The second proposal is community schools, which Senator DANFORTH has given a great deal of thought to. One of the great outrages of our cities is that the one public building that is part of every neighborhood and every family's life—the school—bolts its doors tight every afternoon at 3:30 or 4 and every Friday for 48 hours. During that time, kids whose parents are not home often have no safe place to go and no one to help them with homework, sports, or the basic questions about growing up. The dedicated people of the community, who want to be a part of raising the community's children, have no place to come together and help. But if we look at what a few dedicated people have done, we can find an answer. In Newark, it's the Boy's and Girl's Club of Newark. In East Orange, NJ, a local YMCA is transforming itself into a "safe haven" for young people after school. And in Washington, DC, a former executive named Kent Amos gave up his career to give his full attention to the 50 or more kids who come to his home every afternoon for help with homework and other activities.

Meanwhile the school buildings, with their gyms and libraries, their nurses offices and auditoriums, are shuttered. Later this year, I expect to join Senator DANFORTH in introducing a bill called Community Schools. It will provide basic funds to open the schools after hours for purposes the community chooses. It might be a safe place for homework or an athletic program or a parenting program for young mothers. Kids need two things during their free time: a place and a mentor. This bill will give them both, in communities where there is the kind of commitment that Kent Amos and others have demonstrated. But now a caring community can affect hundreds of thousands of kids, not just 50.

I also want to use Community Schools as an example of how the programs in this package are interconnected. For example, if the community wanted to use a school for some new purpose, such as a drama program, but they needed repairs and new facilities, a neighborhood reconstruction corps could do the work. If the community wanted to use the school for an entrepreneurship training program for high-school students, maybe even to start a small business based in the school building, they could combine community schools with the entrepreneurship training component of this package. Communities that can address more than one of the leverage points of conversion at a time will see the impact multiply as expectations and results build on one another in a positive direction.

The third piece of this initiative is the Community Capital Partnership Act. Most of us take basic financial institutions for granted. We have savings and checking accounts, our bank lends our money to businesses in our communities, and we borrow ourselves when it comes time to buy a home or we have an inspiration to start a business. But in most American cities, the only financial institution they know is the check-cashing cubicle, which charges up to 5 percent just to cash a Government check, and takes the money back out of the community. People who want to save have nowhere to go and businesses have no access to capital. Within the 165 square miles that make up the areas most affected by the Los Angeles riots, there are 19 bank branches, as compared to 135 check cashing establishments.

Over the last 20 years, Shorebank of Chicago has shown the world that a financial institution that is committed to community development can lead a community back from the brink of economic and social decline. Since 1973, it has made $340 million in development financing, mainly for the purchase or rehabilitation of housing units in Chicago's South Shore neighborhood.

Shorebank is more than just a bank. Through its various subsidiaries and affiliates, it has been an active force in the revitalization of the South Shore. Shorebank has used a subsidiary, City Lands, Corp., to make high-risk loans for housing development. It has used a nonprofit affiliate, the Neighborhood Institute, to help disadvantaged residents achieve their GED's, start up small businesses, and train for jobs available in the community. It has used its depository institution, South Shore Bank, to make loans to people seeking to renovate apartment buildings and establish small businesses that generate jobs in the community.

The bank now boasts over $211 million in deposits, almost half of which come from residents of the South Shore community.

Another home-grown project dedicated to the benefits of capital and savings is New Community Corp. in Newark, NJ. New Community Corp. was formed in the wake of the Newark riots of 1967. Over the last 25 years, it and its subsidiaries have developed over 2,500 housing units, 25,000 square feet of office space, and an $11 million extended care facility. New Community has also built a $15 million shopping center, which contains central Newark's only major grocery store built since 1967.

New Community's founder, Msgr. William Linder, testified recently before Congress, "I have seen bank branch after bank branch close because the bank did not find serving our community profitable. There was always the same trend. Managers were frequently changed, service became poor, the facility was always dirty. Frankly, no one in authority cared about our community."

But instead of giving up hope, Monsignor Linder and others started a credit union. He now presides over a credit union with about $1.7 million in assets that provides basic banking services to community residents. Last year, New Community's credit union made 165 loans, mainly to poor residents of Newark's Central Ward. Basic banking services like check cashing, consumer loans, and savings accounts are taken for granted by a lot of people, but in places like the Central Ward of Newark they have become scarce and prized resources. Like Shorebank, New Community, in its own way, has recreated opportunities for its community.

The bill I introduce today commits the Federal Government to efforts like these all across this country. It increases the amount of funds authorized in various Government programs for the benefit of community development financial institutions, and expands the number of institutions that are eligible for the funds. It creates a new program specifically designed to help institutions like New Community—community development financial institutions—grow into community development banks like Shorebank, and it helps institutions like Shorebank expand their services.

The fourth bill provides training and help for entrepreneurs. When we confront our fears about the city, we have to start with our assumptions about the people who live there, particularly young black men. But here is another view of the young people of the inner city: "They confront risk daily, they are resilient, intuitive, creative, and observant, and they have learned to take great initiative within a stifling environment, just to survive." To Steve Mariotti, a former Detroit auto

executive, these were the characteristics of a successful entrepreneur. With help from private foundations, he started the National Foundation for Teaching Entrepreneurship. Where others looked at these same kids and saw only their deficits and their problems, Steve saw their strengths. And he was right. By working in schools and settlement houses with kids as young as 6 and up to the age of 24, he taught people about the value of money, and about how to use their instincts and skills to grow in the long run, not just to survive in the short run. In 1990, the foundation graduated 225 young entrepreneurs, who started 152 businesses, including retail clothing firms, food and catering businesses.

The Foundation for Teaching Entrepreneurship is just one program that might benefit from my entrepreneurship training program for urban residents young or old. The bill authorizes $85 million in grants to community colleges and community development corporations in economically distressed central cities to develop an entrepreneurship curriculum and train urban residents for self-employment. It also provides $150 million in guarantees of loans made by community development corporations, community development loan funds, community development credit unions, and community development banks to finance small business startups by graduates of such self-employment training programs.

Fifth, I will introduce the Community Policing Assistance Act. Business can hardly survive, much less grow, if there is no safety. Three weeks ago in Newark I met a man who owned a small store, an immigrant, who was terrified of frequent robberies. His store was in the shadow of city hall, just blocks away, but when he called the police, he said it took 3 hours for a squad car to respond. He concluded that government would do nothing to ensure his safety, and now he carries a gun.

Government's response to the epidemic of violent urban crime has been to toughen and toughen again the penalties in the letter of the law. I have supported this effort—because the penalties should fit the magnitude of crimes involving both drugs and violence—but there is a larger point. A police culture that isolates officers in squad cars, responding to crimes only after the fact, will never prevent crime and will rarely catch the criminal.

While Government was speaking louder about crime, but carrying what looked like a smaller and smaller stick, a few communities were inventing for themselves a new way to ensure safety. In East Orange, NJ, police officers recently took the roughest 12-block zone of the city and made it a miniprecinct, with an accessible office and distinct neighborhood beats for every officer. A similar program that started in 1990 in Columbia, SC, brought an immediate 30 percent reduction in crime. An elderly woman living in a housing project, who had slept on her floor for 5 years because she feared bullets coming through her window, was finally able to get back into bed. Now police officers worry less about what crimes have occurred, and spend more time talking to people, finding out where trouble is brewing, and intervening before it happens. Police know the mothers who are worried about their sons and daughters; they know the shopkeepers who are worried about neighborhood thugs, and they know the thugs the shopkeepers worry about. With knowledge comes trust and trust is the foundation for security.

This new model, known as community policing, can build a base of trust and knowledge in every community. But it requires an investment, at least at the beginning. When police officers spend more time on the streets, preventing crime, a city needs more police officers to provide the same basic level of security and the same response time when crime does occur. My community policing bill, the third component of this initiative, authorizes $200 million in matching funds to local law enforcement and community groups to support community policing activities in economically distressed central cities. Police departments can use these funds for local police substations, or to staff regular police neighborhood beats.

As essential as investment, capital, and infrastructure are, they are not family. They are not children. And nothing is more vulnerable than children to the pressures of the city. Raising children is a 24-7-365-20 proposition: 24 hours a day, 7 days a week, 365 days a year, for 20 years. Young mothers often do not realize this, and with the pressures of the city—the economic pressures, drugs as a commonplace of life, crime and guns—it is more difficult for them to provide that steady hand then for most other parents.

Yet a few people have stepped in to build communities that set children on a sound course through life by caring for them in the most important 15 months of life: the last trimester of pregnancy and the first year after birth. In Los Angeles, Bea Stolzer and an organization called New Economics for Women put together everything they could find, including low-income tax credits, local housing development credits, CRA credits, and welfare system funds to build Casa Loma, a residence for 110 single parent families and senior citizens, with child care space, family services, and vocational programs. In New York, the Bronx Parent Association has developed a 12 to 18 month residential program—La Casita—to serve pregnant women and women with young children. It provides initial evaluation of enrollees for psychosocial needs and substance abuse problems, counseling, onsite medical services, job training, parenting classes, onsite day care, and a 1-year followup.

From these home-grown initiatives, I have come up with the idea of 15-month Houses, and later this year I will introduce a bill authorizing $250 million to establish residential programs for low-income and young mothers during the third trimester of the mother's pregnancy and the first year of life. The program must provide the mother with health and substance abuse screening or treatment, and education in parenting. For the children, the program must include cognitive stimulation as well as immunizations and other care. The Robert Wood Johnson Foundation recently completed a study showing that if children are provided not just healthy care during the first year of life, but also systematic cognitive stimulation, behavior problems will be reduced later, they will progress more quickly in education later, and the burden on the school to remedy problems from early in life will be correspondingly reduced. Fifteen-month houses will be intended to provide that safe and stimulating year to the most vulnerable children.

Another reality of city life that we have to face up to is Government's failure to lift people out of poverty. The average income in Newark, NJ, is only $9,424 a year. The average income for New Jersey overall is $24,881. While cities have gotten poorer, Government has been engaged in an endless debate about whether traditional welfare programs give people too much income, discouraging work, or too little. While this debate is important, it misses a key point: traditional welfare programs that support income and spending can never, by themselves, lift people out of poverty. You can no more spend your way out of poverty than you can borrow your way out of debt. To become economically self-sufficient requires at least some assets—a house, a savings account in case of an emergency, even an education counts as an asset. Poor people are much poorer in assets than in income. For example, black families with monthly incomes below $900 have an average net worth of only $88. That includes everything—furniture, a car, savings, the value of a pension. The average net worth for white families earning only two to three times as much is more than $50,000.

For middle-class people, the Government encourages and heavily subsidizes the development of assets. Interest paid on home mortgages is tax-deductible, at a cost of more than $40 billion. Pensions are tax-deferred, and individual retirement accounts allow people with $2,000 to spare to save for the future. Meanwhile, poor people live in neighborhoods where there are no

banks; without a pension or a downpayment on a home, they cannot take advantage of the many ways our Government helps people develop assets. If they are on welfare, they cannot even save $2,000 or so to buy a car and get to a job without a penalty. Indeed, in Milwaukee, WI, 2 years ago, a young single mother named Grace Capitello managed to save $3,000, by making clothes and toys for her daughter instead of buying them, and by scrimping at the grocery store. For her efforts, she was charged with fraud by the county and ordered to turn over all her savings. Fortunately a judge understood. Throwing out the case, he complained, "I don't know how much more powerfully we could say it to the poor in our society: Don't try to save."

From the creativity of Grace Capitello comes the idea for the Assets for Independence Act. This bill would not only allow poor people to save without penalty, it would encourage it. It would allow anyone with income up to twice the poverty line—or about $22,000 for a family of four—to establish an individual development account and contribute up to $2,000 a year, the same as in an individual retirement account. This account could be used for only four purposes: to buy a first home, to pay for college education, for retirement, or to start a small business. To reward savings, the program would provide funds to community-based nonprofits to match the savings in an IDA, up to a total of $2,000. This bill would authorize $200 million to establish a broad demonstration of this revolutionary concept.

The most striking characteristic of American central cities today is their isolation. Once the hub of their regions, the center of commerce, jobs and culture, innercity residents are now isolated socially, culturally, and economically. Outsiders look in, through movies like "Boyz in the Hood," at a world with its own values, its own language, and its own icons of popular culture. But all the talk in Washington about the culture of poverty diverts our attention from the very simple fact of isolation from jobs. It is not news that a central city like Newark lost 80,000 jobs between 1970 and 1988. But these cities are nestled in metropolitan areas that were creating far more jobs than were lost, including many entry-level jobs with modest skill requirements.

Unfortunately, those jobs were in the suburbs. To say that an urban resident can't get an entry-level job until the city revives in total is to say that a generation will be wasted as politicians of all races give excuses and bureaucrats twiddle their thumbs and push paper. In 20 large metropolitan areas of America, more than 75 percent of the jobs created in the 1980's were outside of the central city. And in six areas, including Chicago, Cleveland, and Detroit, every single new job created—100 percent of the net job growth—was in the suburbs. Government has tried various costly strategies to address this enormous disparity. Urban development has cost hundreds of billions, gentrified a few small downtown areas, but still left poor people in the cities living increasingly in areas where almost everyone else is also poor. The latest effort at urban development, enterprise zones, might turn out to be more successful, but the cost is high and the change only marginal. Dispersal strategies, efforts to help inner-city residents move to the suburbs, have been very successful when ordered by a court, as in the Gautreaux project near Chicago, but encounter intense political resistance. With the failure of these two strategies, the only alternative has been abandonment, leaving the cities, with their vast human capital behind, while businesses in the suburbs struggle to fill $5-an-hour entry-level jobs from a limited labor pool.

There is an alternative, possibly a much less expensive one: mobility. In southeast Chicago, residents of the Le Clair Court housing project concluded that the barrier between Le Clair residents and jobs was simply transportation. Most Le Clair residents don't own cars, and bus transportation to a suburban job means getting up 3 hours before work and returning home well after dark. With the help of a creative young manager named Theresa Prim, they scraped together $250,000 from foundations to buy five 20-person vans, and began to talk to suburban businesses about their desperate need for entry-level workers. They concluded that if people had good jobs, they would pay $6 a day for transportation to those jobs. Now fares paid by workers or employers cover almost half the cost of the Accel Transportation project. The vans are full. And many Le Clair residents soon buy a car to get to their new jobs, opening a spot in the van for someone new. Besides transportation, the program includes job counseling and conflict resolution for workers who are not used to suburban jobs and employers who are not accustomed to hiring inner-city residents and often must overcome their own ingrained impulses on issues of race.

I have not given up hope that we can draw more jobs to the cities, but we can no longer put all our hopes in that strategy. We know where the jobs are, and we know that in good economic times, companies have a hard time filling those jobs. In 1987 and 1988, companies in northern New Jersey were desperate for workers and began to run their own vans into Newark. But when the economy turned down, companies quickly cut this cost, and urban workers were cut off before they developed a permanent attachment to the work force.

My mobility for work initiative is intended to build a lasting connection between urban workers and suburban jobs by helping projects like Accel Transportation get going. At only $15 million, it is the least expensive component of this urban initiative, but one with the most possibilities. Everything is interconnected. For example, when city dwellers return to their communities in the evening with real earnings from jobs, banks, and retail businesses will emerge to serve them, creating more jobs in the community and starting a cycle of prosperity. Some urban residents might move out to the suburbs, closer to the jobs, or some businesses might be drawn back to the city, once they overcome their prejudices about inner-city minority workers. This is a demonstration program, with a rigorous evaluation at the end to determine the effects of this new strategy.

These eight programs form a coherent strategy to build communities by restoring their public spaces, by fully utilizing schools, by making capital available, by bringing law enforcement into the community, by helping people save for the future, by strengthening families, and by connecting people with jobs. All eight are demonstration programs, to give these new ideas a serious test before we implement them nationally.

Most of the eight programs also include a peer review panel to look at the initial applications for demonstration grants and design the evaluations. All eight programs have a strong accountability provision with rigorous standards and frequent review and assessment. The money provided under this initiative will not be distributed by bureaucrats in Washington, but by people with experience in making these programs work at the local level. In many cases, it will be the people who invented them. They will know whether the groups that apply for grants really have the ability and commitment to make them work, or they just know how to write grant applications.

These programs are also concentrated where the need is greatest. Too often when we design programs for cities, the political process spreads the distribution so widely that cities get very little and well-off suburbs get assistance they don't need. Some of these programs are linked to a definition of economically distressed central cities. Currently 297 cities quality under this definition, which is based on a modification of the formula for community development block grants. Other programs are specifically targeted, like the mobility for work grants, which can go only to programs in the 20 metropolitan areas where more than 75 percent of the job growth has occurred in the suburbs.

From 1981 to 1992, Federal aid to cities was cut by 60 percent, in constant dollars. We have failed our cities by denying them investment, atten-

tion, and imagination. A lack of money can be remedied quickly, even given our budgetary constraints, as President Clinton has shown by proposing to spend, in 1997, $3.7 billion for Head Start, almost $1 billion for the Women, Infants and Children nutrition supplement, $3.1 billion for community development block grants and related programs, $247 million for the Job Corps, and $1 billion for summer jobs this summer. These are longstanding, well-tested programs that work and never should be abandoned.

But fully funding old programs that work is not enough. We must remedy not just the failure of spending, but the failure of imagination and 25 years ago, the Kerner Commission, appointed to study the riots in Newark and Detroit, called for a constant stream of innovative programs to get at the real problems underlying violence. If we are only talking about fully funding the few programs from that era that have survived and work, we must acknowledge that we are denying the decades-old call to constantly think anew about our cities.

This initiative gives these local programs a national test, so we can see what works and what does not. The cost of the program is $1.44 billion per year—slightly more than the cost of insurance claims of 4 days of rioting in south central Los Angeles last April. The question is not whether we can afford to spend this money in our cities, but whether we can afford not to. Earlier this week the administration said we had no choice but to spend $45 billion more to clean up the S&L's; do we have any less choice in our cities, for $43.5 billion fewer?

At its core, this proposal deals in an interrelated manner with the steps that it takes to become a fully contributing adult in our society. To address the first years of life, these are 15-month houses; to help with education, there are community schools; to provide safety, there is community policing; to create jobs and job training there are neighborhood reconstruction corps, community capital partnerships, and entrepreneurship training; to connect jobs and job-seekers there is mobility for work; and finally, to promote savings and investment, there are assets for independence. Rural, suburban, or urban, these are goals we all share.

That is the purpose of my package. In the absence of funding or imagination from the Federal Government, for 12 years urban heroes have had to figure out how to make the most of what they have. This initiative takes the creativity that has flourished at the local level, and translates it into national programs that can in turn be used as tools for a new wave of creativity. With this initiative, I hope we can begin a new era in which we do not deny the existence of a crisis of race and isolation in our cities, we do not deny resources to cities, and, above all, we no longer deny cities our natural optimism and creativity as a Nation in finding solutions to problems that seem hopeless only because we have not given them our best effort, our fullest resources, or our most creative imagination. Now is the time to seize the moment.

I ask unanimous consent that a summary of the urban community-building initiative be printed in the RECORD.

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

NEIGHBORHOOD RECONSTRUCTION CORPS ACT SUMMARY

The Neighborhood Reconstruction Corps combines two successful ideas: using community organizations to give disadvantaged workers marketable job skills and real work, and enlisting private enterprise as partners in rebuilding public spaces and public buildings. Program funds will be used to train disadvantaged workers for light infrastructure repair work, and to match private investment in public projects.

Federal grants will be available for nonprofit community development corporations or private business entities at up to a one-to-one match of private funds. Project cannot cost more than $1,000,000 and the Federal match cannot exceed $500,000. Qualifying projects would include enhancing public parks, bringing public buildings into compliance with the requirements of the American With Disabilities Act, graffiti removal, repairing bus shelters, replacement of sidewalks, painting schools, and similar light public projects.

The Department of Commerce will administer the program, but grant applications will be reviewed by a separate peer review panel made up of community leaders with successful experience in similar programs. To avoid the diffusion that has weakened comparable grant programs, only cities designated Economically Distressed Central Cities, under a formula in the bill, can qualify for grants. The formula is based on a modified CDBG formula, and currently 297 cities of 35,000 or more population would qualify.

The Neighborhood Reconstruction Corps has a three pronged effect on urban development: it provides training, work experience, and jobs to economically disadvantaged workers while it encourages private enterprises to invest more in urban communities and improves much needed infrastructure clean up and light construction in historically unnurtured and blighted urban areas by individuals living in those areas. This program combines ideas from several successful community-based, including the East Harlem Action Program and the urban reconstruction programs of the Enterprise Foundation.

This bill authorizes $500 million a year.

COMMUNITY CAPITAL PARTNERSHIP ACT OF 1993 SUMMARY

I. COMMUNITY INVESTMENT CORPORATION DEMONSTRATION IMPROVEMENTS

Expands the types of institutions that qualify for assistance under the Community Investment Corporation Demonstration, section 853 of the Housing and Community Development Act of 1992, from community development banks to the larger number of community development financial institutions, including community development banks, community development loan funds, and community development credit unions.

Increases the amount of capital assistance authorized for 1994 from $26,000,000 to $50,000,000. Increases the amount of development services and technical assistance funds authorized for 1994 from $15,600,000 to $25,000,000. Increases the amount of money authorized for the training program in 1994 from $2,100,000 to $5,000,000.

II. ASSISTANCE TO COMMUNITY DEVELOPMENT CREDIT UNIONS

Increases the NCUA's Community Development Credit Union Revolving Loan Fund from $6 million to $25 million.

Allows the NCUA to invest idle Revolving Loan Fund money to fund technical assistance to community development credit unions.

III. COMMUNITY DEVELOPMENT BANKING TRANSITION ASSISTANCE PROGRAM

Authorizes $400,000,000 over four years to assist community development banks expand their activities and help community development loan funds, community development credit unions, and community development corporations that want to become community development banks develop into community development banks.

Gives the Secretary of HUD authority to provide capital and operating assistance to eligible institutions, provided the institutions agree to negotiate certain performance criteria relating to lending volume, portfolio performance, and service to targeted groups with the Secretary. If an institution fails to meet the performance criteria, the Secretary can stop funding of the institution.

IV. ASSISTANCE TO COMMUNITY DEVELOPMENT LOAN AND INVESTMENT FUNDS

Provides $20 million in federal matching grant support to community development loan and equity funds which makes loans and investments of $25,000–250,000.

ENTREPRENEURSHIP AND SELF-EMPLOYMENT TRAINING ACT OF 1993 SUMMARY

I. DEVELOP COMMUNITY ENTREPRENEUR TRAINING

Requires the Secretary of Labor to award competitive grants to five community colleges in economically-distressed central cities to develop specialized training curricula for entrepreneurship and self-employment training of disadvantaged, inner-city residents.

Authorizes $10,000,000 for the training curriculum grants.

II. TRAINING GRANTS

Provides $85,000,000 a year for four years to fund 6 to 12 week courses based on the training curricula developed under the program which are taught by the community colleges and community development corporations that serve residents of economically-distressed central cities.

III. LOAN GUARANTEE PROGRAM

Requires the Administrator of the Small Business Administration to guarantee loans up to $25,000 made by community development corporations, community development loan funds, community development banks, and community development credit unions to individuals who have graduated from a training course provided for under the program and intend to start a business.

MOBILITY FOR WORK ACT SUMMARY

This legislation is intended to support efforts to provide transportation to work for inner-city residents in areas where new

entry-level jobs are found primarily in the suburbs. The bill authorizes $15 million for local transit agencies, community-based organizations and governments to explore the potential of mobility strategies to build a permanent attachment between urban residents and the workplace.

Programs funded under this bill must utilize one of the following models:

Expansion of existing job training or job search programs to include transportation.

Improving public transit systems to create links between urban residential areas and outlying areas of high job growth.

Establish regional coalitions to improve central city access to jobs.

The program will be administered by the Secretary of Labor in consultation with the Secretaries of Transportation and Housing and Urban Development. It is intended to encourage similar cooperation among local job training and placement programs, transit agencies, and economic development authorities.

To limit the assistance to the areas of greatest need, eligibility will be limited to metropolitan areas in which 75% or more of the job growth over the previous ten years was outside of the central city. Based on current figures, this includes 20 metropolitan areas, among them Chicago, Los Angeles, Cleveland, Detroit, Washington, DC, Philadelphia and Milwaukee.

ASSETS FOR INDEPENDENCE ACT SUMMARY

Establishes a wide demonstration of Individual Development Accounts (IDAs). These accounts would allow people with incomes up to 200% of poverty to save up to $2,000 a year in accounts specifically designated for (1) higher education, (2) purchase of a first home, (3) retirement, or (4) to start a very small business.

Low-income people who managed put aside savings in an Individual Development Account would receive a dollar-for-dollar match in the account. Community-based organizations, community credit unions or community banks could apply for a federal demonstration grant under this act. The organization would then use the grant funds to match Individual Development Account savings for all low-income participants in the community served.

Participants could withdraw funds at any time for any of the four qualified purposes, without penalty. If IDA savings are withdrawn for any other purpose, there is a penalty comparable to the penalty for early withdrawal from an Individual Retirement Account and all funds and interest attributable to the federal match would be returned to the Treasury.

Individual Development Accounts are intended to remedy the lack of savings and security in poor neighborhoods, to develop a long-term habit of spending, and to match the government's subsidy for asset-development by the middle-class with a comparable, though modest, subsidy for the working poor.

The legislation would authorize $200 million for this demo, or sufficient funds to establish about 200,000 Individual Development Accounts.

15-MONTH HOUSE PROPOSAL SUMMARY

This legislation, to be developed in full and introduced later in the spring of 1993, will fund residential programs that provide refuge and a solid start in life for children who need help during the most vulnerable 15 months of life—the last trimester of pregnancy and the first year of life.

Fifteen-month houses would provide very young or low-income mothers with health care; parenting education; social, psychological or substance abuse counseling and treatment; and educational or vocational training. They would provide the infant with pediatric care, nutrition, immunizations, and extensive cognitive stimulation. There will also be follow-up with both the mother and the child, and efforts to involve absent fathers in the lives of their children at all stages.

Fifteen-month houses are based on several successful programs developed by hospitals, parent associations, and other community groups, such as La Casita, a 12-18-month program for young mothers in the South Bronx. It is also based on a study by the Robert Wood Johnson Foundation that compared children who received solid health care and nutrition during the first year of life with children who received all that plus systematic cognitive stimulation. That study found that children who were cognitively stimulated—through exercises with shapes, sounds and colors—in the first year of life were better prepared for school and had many fewer behavior and learning problems later in childhood.

The legislation will authorize $250 million for 15-month houses.

COMMUNITY SCHOOLS PROPOSAL SUMMARY

Community Schools will be the name of legislation that Senator Bradley and Senator Danforth have been working on and intend to introduce later in the spring of 1993. The legislation will provide funds for community groups to keep schools open after hours for purposes the community develops for itself.

Community Schools is based on successful programs in Boys and Girls Clubs, YMCAs, and even in private homes that community leaders have opened up as a safe haven for children after school hours. It is intended to build on those programs by using the most accessible and useful public space in every neighborhood: the school. Community groups could apply for grants to use the school's gymnasium, cafeteria, auditorium, classrooms, or other facilities after hours. Potential uses of funds include mentoring programs in which adults from the community would help young people with homework, athletic programs, drama, or any other use the community developed for the young people of the community.

The legislation will likely authorize $15 million for community schools. Funds might be used to develop the community program or to offset the incidental costs of keeping schools open.

COMMUNITY POLICING ASSISTANCE ACT OF 1993 SUMMARY

Authorizes $200 million in grants for local governments and community groups in economically distressed central cities to establish or expand community policing programs. The goal of the bill is to increase police presence in the community by fostering and strengthening the ties between the community and the police.

Funds can be used for any of the following approaches to community policing, all of which have proven successful in improving safety:

Decentralized police substations in the community.

Expanded foot patrols for police officers and reduced emphasis on squad car surveillance.

Community/police partnerships to target crime, such as citizens patrols and crime detection networks.

Community/police training programs in areas such as cultural diversity, crime prevention, and gang prevention.

Development of model projects to help communities identify drug or gang houses and use civil remedies, such as public nuisance violations, to eradicate such houses, and use mediation techniques to resolve gang problems.

Of the $200 million authorized, 75% is targeted for use by local governments, the balance by community groups.

The PRESIDENT pro tempore. Who yields time?

Mr. BOND addressed the Chair.

The PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Mr. President, I yield 15 minutes to the Senator from New Hampshire.

The PRESIDENT pro tempore. The Senator from New Hampshire [Mr. GREGG] is recognized for 15 minutes.

Mr. GREGG. I thank the Chair.

While we have all gathered here to discuss this budget, and I guess we are going to be discussing it for a few more days before we get to vote on it, having served on the Budget Committee, I had a chance to participate in the marking up of this budget, and I must say that I was impressed by the sincerity and the desire of all the members of the Budget Committee to accomplish deficit reduction and economic growth. But there are also obviously within the committee basically along party lines very deep philosophical differences as to how these goals should be accomplished. When you look at the budget which is being proposed by the majority party, which is a modification of the President's budget, you certainly see that there is a clear ideological tilt to it.

In this budget that has been proposed, there are large increases in taxes. In the budget that has been proposed by President Clinton and presented here by the majority party, there are large cuts in defense spending.

In the budget that is proposed by the Democratic leadership and President Clinton, there are on net very few reductions in actual domestic spending.

If you were to summarize the budget in three lines, it would be a budget that dramatically increases taxes, that dramatically cuts defense, and that maintains spending at present levels for the 5-year period.

It does not, in my opinion, accomplish its basic goal, which is to reduce the deficit significantly and generate economic growth.

It does not accomplish this because it puts such a significant new burden on the marketplace with the new taxes and because it passes up the opportunity to make very significant reductions in spending at the Federal level.

The program has in it new spending initiatives which amount to about $124 billion. It has spending cuts on the domestic side which amount to around

$131 billion, for a $7 billion net reduction over 5 years in domestic nondefense spending at the Federal level.

My goodness, just in a bill that was voted through here last week we spent $5.5 billion, which basically is not funded and, therefore, reduces that $7 billion, so actually the cut in this budget is $2 billion—$2 billion—over 5 years in domestic nondefense spending. What a paltry sum that is when you consider the rate of growth of the deficit over this period, because the deficit over this period is going to grow by $1.08 trillion—$1.08 trillion—over this same period of time. And that is debt which is added to our already outrageous national debt, which debt must be paid for by the next generation.

It is cost which we are incurring today but which we are not willing to pay for today, giving the bills to the next generation.

There was, as I said, a sincere effort I believe to try to address the deficit, but it was pulled down by this philosophical belief that you must have new taxes and you must have a lot of new spending, which seems to drive both this Presidency and the Democratic Party in this body. If you look at this budget, a lot more could have been done and done in a positive way, but, unfortunately, sitting on the shoulders of the people who wrote this budget was that little elf who kept whispering in the ears of the budgeteers: Spend, spend, tax, tax. And as a result what we got was a budget that taxes and taxes and, unfortunately, spends a great deal of money.

The chart which has been referred to a number of times already reflects just how much this budget is made up of taxes. The red part of the pie is the new taxes. The orange part of the pie is the new user fees. Fully 79 percent—79 percent—what is represented to be $458 billion of deficit reduction over the next 5 years is accomplished through new taxes or user fees—79 percent.

And what is in this tax package that is so good for America, that is going to help the other side of the equation which we wish to address, not only deficit reduction as a goal but also economic activity? Well, in this new tax package there is something called a Btu tax. Now, this is a unique tax, probably one of the more regressive taxes that this body will ever consider, certainly a regressive tax for New England where I come from, New Hampshire, because this is a tax that is on all energy sources but for some reason it is not on all energy sources equally.

First off, by being on all energy sources is regressive by definition because that means no matter what your income bracket is, no matter who you are, you are going to pay the tax at the same rate, whether you are Donald Trump or Martha Jones who happens to run a small restaurant in Epping, NH. You are going to pay the same rate of tax on the energy you purchase as the wealthy person, middle-income person or the low-income person. All pay the same rate of tax, except that in New England we are not only going to pay the flat rate of tax, we are going to get a little extra kicker under this bill. Somebody decided in the White House—and I hope it was not the President, because certainly he has been to New Hampshire and understands how cold our winters can be, but somebody down there decided well, we ought to double hit home heating oil. And under this Btu tax, which is regressive on its face, it gets doubly regressive for people from New England where 80 percent of our homes are heated by oil—80 percent—because the tax is more than twice as much on home heating oil as compared with natural gas or electricity.

What a terrible thing to do to the people of the Northeast. What a terrible thing to do to the people of this country, to stick them with a regressive tax to begin with, but why pick out New England or the Northeast and say: Hey, we are going to sock it to you and give you a little extra in tax burden. It is estimated it is going to increase the average heating bill in New Hampshire by 8 percent. I think that is conservative, but it is expensive. The theory I am told is that somebody down there in their intellectual genius has decided that oil is not a very good commodity to use as an energy source, especially heating homes, and we should limit the amount of oil used in this country and the way to do it is tax it out of use. For environmental reasons we are told this.

Well, I hope those folks will come to New England, and remember that people have to make a living and survive in New England and that they maybe cannot absorb this little exercise in industrial and environmental policy and that it may have significant downsides because I tell you that the average citizen in New England is going to have to go back, at least in New Hampshire anyway, to using wood, and that has a significant environmental threat also.

There are other taxes in this package. There is a Social Security tax. Now, we are told again that we are not going to have any taxes on low- and moderate-income people in this country, that this package is just going to sock it to the rich. Well, we already know the Btu tax hits everybody, hits people especially regressively in New England. But the Social Security tax, that is a good one. Social Security recipients with more than $25,000 of income will find that their taxes go up on their Social Security benefit.

A Social Security recipient who receives a $43,000 income will find that his or her taxes go up by about $9,000. The effect of this is regressive. It is totally regressive and inappropriate. These taxes and these fees, as I mentioned, total 79 percent of the entire package.

Then we have what is alleged to be spending cuts in the package. We heard a lot in the State of the Union and a lot since about how this is going to cut spending. Yes, it is going to cut defense spending. Everybody agrees defense spending is going to take a $74 billion additional hit over what President Bush represented he would cut defense. He had already planned to cut it by $78 billion over 5 years, but we will add $74 billion on top of that. So be it.

But on the domestic spending items, there is, as I mentioned, no net reduction in spending. There is $124 billion of new spending. It is called investment. Investment in what? To a large extent it is investment in jobs programs, make-work programs, and the paying off of certain political interest groups who happen to have the leverage to come to this body and seek support. There is very little real what you would call infrastructure investment in this $124 billion of new spending, which we cannot afford to begin with anyway.

On the spending cut side, they represent they are going to make spending cuts of $131 billion over the 5-year period. But look at the numbers. Look behind what is stated here because it is illusory. Of that $130 billion of cuts that they claim are going to be made, $48 billion of that, about 20 percent, a little more than 320 percent actually, is going to be made in the year 1998, under their estimates. We do not even appropriate for the year 1998, I do not think, in this year.

Those budget cuts have all smoke as their substance. Will they be made? No one knows. They are a guess, they are a plug number, is what they amount to.

Then, if you look at the rest of the cuts, they are equally backended. Spending is not backended. No, sir. We are going to be spending on all these new programs right up front. We will be out there spending our tax dollars and money we borrow from our kids, aggressively right off fast right out of the chute. But the spending cuts which are alleged to be in this package are not going to occur until the end. In fact, 22 percent of them are not going to occur until the year 1998, and one doubts that they will occur at all in that year.

So, really, this budget has a huge net increase in spending in the short term and a very doubtful reduction in spending and a light one at that, $7 billion—of which, I have said, we have already spent $5.5 billion—over the long run.

What is the practical effect of all of this? According to CBO—this is not my calculation—there are $3.86 of new taxes for every $1 of spending cuts in this package. Over the period of 5 years the deficit will grow by $1.8 trillion.

That really is not going to get to the issues which we need to get to, which involve reducing the deficit and getting the economy going.

The regressive tax package clearly is going to have an extraordinarily negative effect on regions like New England. The Social Security tax is going to have a negative effect on senior citizens, and these are middle-income individuals. And the defense cuts—I agree we have to make further defense cuts—are going to have a negative impact on the economy, too.

But, most importantly, the fact that you have a budget which dramatically increases spending at a time when you are trying to reduce the deficit, I think, is going to have the longest lasting negative impact on the economy, as we will get the spending increases whereas we will not get the cuts.

The problem we have here has to be restated. The problem we have is not that we as a Federal Government are not spending enough money. The problem is that we have been taxing our people too much and we have allowed spending to get out of control.

The deficits which we have today and the debt which we have today were not generated by the fact that we cut taxes in the eighties under the Reagan plan; it was generated by the fact that we have increased spending.

This chart shows that rather clearly. This chart has two lines on it. The red line is spending and the blue line is taxes. It takes those two numbers as a percentage of gross domestic product. If you look at this chart, you will see that taxes since 1960 have pretty much remained constant, even during the Reagan years when we heard so much about how taxes were cut and this is what created the deficit. The taxes that we were taking out of the American population were essentially the same, around 18 percent of gross domestic product.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. GREGG. I ask unanimous consent for an additional 5 minutes.

Mr. BOND. Mr. President, I ask to yield another 5 minutes to the Senator from New Hampshire. I would also ask that this side's responsibility for allocating time be transferred to the Senator from New Hampshire when he concludes his remarks.

The PRESIDENT pro tempore. Without objection it is so ordered.

Mr. GREGG. Mr. President, as I was mentioning, the basic tax burden on the American people arising from Federal activity has been maintained at about 18 percent since 1960. But the rate of growth of Federal spending has increased from 18 percent to almost 24 percent since 1960. When you are talking about this 3-percent gap, that is what creates the deficit. It is 3.5 percent, 4 percent based on a $6 trillion economy, and obviously represents large numbers.

But what this chart also shows is that it is not that we cut taxes in the eighties that created the deficit, it is that we increased spending. As a practical matter, if we wish to address the deficit today, the structural deficit problem, what we need to begin with is the control of spending. How do you do that? Clearly, President Clinton and the Democratic Party have put forth their plan. As I mentioned, it is a plan with three components: raise taxes dramatically, cut defense dramatically, and have basically no change in domestic spending.

I happen to believe the way to get there—and I think the majority of Republicans believe—is by addressing the spending side of the ledger first. You do not backload the spending cuts. Rather, you accelerate the spending cuts to the front of the budget process. You do not add $124 billion of new spending, as President Clinton's plan calls for, as adjusted and presented here, because you cannot afford all of that new spending. And the spending that you are presently doing at the Federal level you address and you start to reduce. For example, you could freeze domestic spending and you could put in place a control mechanism using CPI and population for mandatory spending.

If you followed those steps, you would be able to take another $300 billion out of the deficit over the next 5 years beyond what was proposed in the President's and the Democratic plan without the new taxes which the President's plan calls for and the Democratic plan calls for. You would end up with a budget that would dramatically impact the deficit over the next 5 years and would not have a Btu tax and would not have a Social Security tax and would allow the marketplace to grow rather than to contract as a result of the excess taxation. This should be our goal.

As I mentioned when I began, there have been sincere efforts on both sides to try to address the issue of the deficit and to get economic recovery going, but there are also very deep philosophical differences about how this should be accomplished. It is very clear, if you look at the President's plan as presented to us, that they intend to accomplish this with taxes. Seventy-nine percent of their deficit reduction is done with taxes and fees. This is the wrong way. It is also very clear, if you look at the President's plan, that you end up with a lot of new spending that we cannot afford.

Let us go about this the way we do in your own home, the way American citizens do in their own homes.

The basic goal should be to reduce the deficit not by adding new taxes and new spending but by controlling spending and not overburdening the American population with additional taxes. That is our goal on this side of the aisle, and that is what we will be offering amendments to accomplish over the next few days.

I reserve the remainder of my time.

The PRESIDENT pro tempore. Who yields time?

Mr. SASSER. Mr. President, I yield 30 minutes to the distinguished Senator from Maryland [Mr. SARBANES].

The PRESIDENT pro tempore. The Senator from Maryland is recognized for not to exceed 30 minutes.

Mr. SARBANES. I thank the Senator for the time.

Mr. President, I want to talk about the economy in somewhat broader terms. It is an issue which—as the chairman of the Joint Economic Committee in the last Congress, and the vice chairman of that committee in this Congress—has been the focus of our attention. It is very important as we consider the budget resolution, to see it in the context of the broader trends and developments that have been talking place in the American economy.

First of all, it is very clear that we have had poor economic performance in recent years. In fact, the last 4 years were among the worst on record in terms of the growth of output and incomes in the country. Over the last 4 years, per capita income has risen by less than 1 percent in this country. In other words, people's per capita income has literally been flat.

Since statistics on this question were first kept in 1947, no other 4-year period has had such a meager improvement in per capita income. In fact, I think it is safe to say that during the last 4 years, we have had a fairly average recession, by post-World War II standards. What was unusual was not the recession but the very slow growth in the economy that preceded and followed the recession. Before the recession, growth in the economy averaged 1½ percent. This is compared to about a 3-percent growth rate that had been typical prior to past recessions.

Since March of 1991, which is the date that has been set as when the recession supposedly came to an end, growth of the economy has averaged only 2.3 percent. This compares to growth averaging 5.7 percent for the seven quarters following previous post-World War II recoveries.

Mr. President, this chart contrasts the growth of real GDP, real gross domestic product, following postwar recessions. These lines show the economy as it goes into recessions. As you can see, this green line is the average of the seven previous recoveries in the postwar period. The red line is this recession recovery. Both lines roughly paralleled one another as they went into recession and reached the trough of the recession.

In the previous recoveries, we grew out of the recession at an average growth rate of 5.7 percent. In this recession recovery, we are coming out at a 2.3-percent growth rate. So there is a very large gap between the growth rate of our GDP coming out of this reces-

sion, compared with previous postwar recessions.

The impact of this is dramatized when you look at the lack of recovery of jobs in this recovery from the recession. In the previous recession recovery cycles, we lost jobs, payroll employment, and then we recovered them coming out of the recession. So that by the first 23 months after earlier recessions ended, on average we gained about 2½ times the jobs that had been lost going into the recession. In every instance, we gained well over what had been lost. In the weakest of those recoveries, 160 percent of the jobs lost were gained back. The best was about 400 percent. The average is about 2½ times.

By contrast, in this recovery, we have barely recovered any jobs. We have not yet gotten back all of the jobs that have been lost in this recession. In fact, we have not even gotten half of them back. We have this enormous disparity in the recovery of jobs taking place during this period of trying to come out of the recession, compared with previous postwar recoveries.

Mr. SASSER. If the Senator will yield on that point, I think he makes an excellent point here. In conversations with the President—which I think the Senator was privy to—the President indicated, as has been stated on the floor of this Chamber, that no less a personage than the Prime Minister of Great Britain, the United Kingdom, indicated that there were some concerns about the magnitude of the deficit reduction package that the administration is proposing in this budget, in that this deficit reduction package was so large, reducing the deficit by $502 billion over 5 years—the largest deficit reduction initiative in the history of the country—that according to the President, the Prime Minister of the United Kingdom expressed some concern that this would have a chilling effect on our recovery here in the United States; that this would have a contractionary effect on our economic recovery. And the Senator, I think, makes an excellent point that we are simply not producing the jobs in this recovery that we have in previous recoveries. So I say to my colleagues that it is a fine line we are walking here.

The Senator from Maryland, I think, points it out. We are reducing the deficit by a large amount. There is no question about it. But I think we have gone about as far as we can prudently go in doing that without killing this recovery in the cradle, I say to my friend from Maryland.

(Mr. MATHEWS assumed the Chair.)

Mr. SARBANES. I think the chairman's remarks are right on point.

The President I think has done a very perceptive and careful analysis of our economic situation. The President recognizes that we are not only confronted simply with one deficit, namely the Federal budget deficit as pressing as that problem is, but we also face an investment deficit in this country. We are not making the investment in both the public and private sector that is essential to the future strength of the economy, and the President has an investment strategy, an investment program, to try to deal with that problem. That has provoked a lot of complaints, but our competitors internationally are doing exactly that. They are making investments in their physical plant and equipment, in the education and training of their work force, in the Nation's public infrastructure, in research and development. These are all of the things that President Clinton has targeted for investment purposes in the coming years, and they are designed to strengthen our economy.

So we have to deal with the budget deficit on the one hand and bring it down, and on the other hand we have to address the investment deficit. We must undertake the investment of those resources to strengthen our economy for the future and to prepare it for the international competition in which we find ourselves. On top of that we are confronted in the short run with a significant jobs deficit since we are not getting restoration of jobs in the economy.

What the President is trying to do with the stimulus package is give the economy a boost. The stimulus package is not technically a part of this budget resolution, but I will simply touch on its importance. The Prime Minister of Great Britain addressed this subject in his discussions with the President.

The President is trying to give the economy some impetus to keep growing. It is a little bit like an airplane trying to take off and having to clear the trees at the end of the runway.

What the President is projecting is major deficit reduction which in effect will have a contractionary impact on the economy. The President with a stimulus package is trying to give some additional impetus to the economy to get it moving up so that when the deficit reduction attaches itself to it, that extra weight that the economy has to carry will not precipitate an economic downturn.

I say to my colleagues who are concerned about the deficit, a concern which I share, that if you seek to overdo deficit reduction to the point of contracting the economy and precipitating an economic downturn, the consequences of that will be loss of jobs, loss of production, and an increase in the deficit.

If you try to contract the economy too much too quickly, and precipitate it into an economic downturn, the consequence of the economic downturn, amongst other things, will be an increase in the deficit. Every 1 percent added to the unemployment rate is roughly $50 billion added to the deficit.

So the President is trying to develop a very careful balance here. He wants to get the economy moving forward. He wants to restore economic growth, increase job restoration, and have sufficient strength in the momentum of the economy that it can carry the very significant deficit reduction which the President is proposing and which the committee under the very able leadership of the distinguished Senator from Tennessee has incorporated into the budget resolution that is now before us.

Mr. SASSER. Mr. President, if the Senator will just yield, and I thank the Senator for his compliment and his comments, the Senator I think makes an excellent point here. We are never going to dig ourselves out of this deficit hole if this economy falls off into a recession once again and if we lose revenues.

The Senator indicated that for every 1 percent the unemployment rate goes up it raises the deficit by about $50 billion. That is probably a conservative figure.

I would call my colleague's attention to the budget agreement of 1990, and to give President Bush his due and to give Richard Darman his due—and there have been some things said that were not entirely complimentary about Mr. Darman here on the floor—this was a negotiation that was entered into in good faith, and we adopted a budget enforcement act that would have significantly reduced the deficit over the next 2 or 3 years.

What occurred—and I say this by way of illustrating the point of the distinguished Senator from Maryland—is almost precisely with the timing of that agreement to reduce the deficit the economy fell off into a recession and the result of that was primarily and almost exclusively because of loss revenues. The deficits in fiscal years 1992 and 1993, instead of coming down, as they had been predicted to do, simply exploded. Because of poor economic performance, people were out of work, there were no revenues flowing into the Federal Treasury, and on the other side you had outlays going for various unemployment programs, Medicaid going up, because people were not working and then they were coming in to avail themselves of Medicaid or food stamps, and a whole host of things.

So I say this by way of saying that the distinguished Senator from Maryland, who is perhaps one of the, if not the most, knowledgeable Member of this body on economic affairs, and who has so ably chaired the Joint Economic Committee during the last Congress, the distinguished Senator from Maryland raises a very salient point. We cannot get these deficits under control if we fall off into recession again and if the unemployment rates start going up.

Mr. SARBANES. Mr. President, I could not agree with the chairman more. It is imperative to understand that if you try to do too much on the deficit reduction front that you contract the economy and cause it to go into a downward nosedive the consequence of that will be larger deficits, not smaller deficits, and at the same time, of course, the consequence will be lost jobs and lost production.

I just want to quote one paragraph from testimony delivered by Lawrence Chimarine, who is the senior economic counselor of DRI, McGraw Hill, a distinguished private sector economist who said on the question of the stimulus, and I am now quoting him.

My own view thus remains that a modest cost effective stimulus package is still desirable, because, as mentioned earlier, it is unlikely that the economy will strengthen considerably on its own. Furthermore, in view of how sharply the economies of Germany and Japan are weakening, the risk of a global recession is increasing. Some insurance against that risk seems appropriate. In addition, as mentioned earlier the job market remains very weak and it appears that some fiscal stimulus might be helpful in producing new jobs. Finally the weakness in the job market is causing significant hardship and pain for many individuals and families requiring some short term actions to ease those hardships.

The extension of the unemployment insurance bill, which this body voted only a couple weeks ago, is a dramatic example of that.

You have people who are about to lose any income support, who have lost their homes and their cars, and found themselves unable to support their families.

Mr. President, I want to turn now from this jobs deficit, and this economic growth deficit that we are experiencing to talk for a moment or two about the investment deficit.

The President has made as a major part of his economic package—and this is incorporated in the budget resolution—significant investments in certain programs that will contribute to the future strength and vitality and competitiveness of the American economy. I first want to point out how we are lagging in a number of important respects.

I literally defy anyone in this body to counter the assertion that we are not doing what needs to be done with respect to investment in this country, in both the public and the private sector. Of course, the President is trying to address both sectors.

This chart shows your real net investment as a percent of your real net national product. In other words, it is a relative comparison to take into account a growing economy. The economy gets larger, by definition, almost, as the population grows.

I am really struck by those who assert that there are more jobs today than there were in 1980. Of course, there are more jobs today. There are more people today. Consistently, as the population grows, the number of jobs grows. The relevant measure is, what is the unemployment rate; what percentage of your work force is unemployed? And, of course, today it is at 7 percent. It was at 5.3 percent at the beginning of the recent recession.

This chart shows real net investment. Real net investment has fluctuated since World War II, but it has really decreased significantly over the last 4 years.

Someone may say: That this chart shows what has happened in this country. But the United States has always been ahead of everybody else. And even if we do not have such a good performance in recent years—actually a very poor performance compared, historically, with what we have done in this country—we are still way ahead of everybody else.

This statement would be incorrect. This chart shows fixed investment as a share of GDP in the 10 largest economies. The United States has the lowest amount of fixed investment compared to these other countries. Japan, Spain, Australia, Germany, all invest more than the United States.

Obviously, there is an investment deficiency. These other economies are doing things that we are not doing, which enhance their competitive position.

Shortly I am going to show the trade charts which illustrate the bitter fruits of this discrepancy in investment.

But before I do that, let me just make this point a little further.

This chart shows nondefense research and development as a percent of GNP, compared to the United States, Japan, and West Germany. In 1971, there was something of a gap, but not terribly significant.

Then West Germany and Japan increased their funding for research and development while the United States failed to keep pace creating a large gap. An essential part of the Clinton program is to try to do something about this gap. That is part of the investment strategy.

Mr. President, what happens if we do not do these investments?

It has been happening to us. We have not been doing them. One consequence of failing to do them is that we lose our economic competitiveness.

We are not doing the things that contribute to the future strength and vitality of the economy. We are not educating and training our work force. We are not making the same kinds of investment in modern plant and equipment. We are falling short in terms of being at the very cutting edge of new technologies. Our Nation's infrastructure is deteriorating so that our transportation systems and our communications systems are no longer the best there is.

All of that has an impact on our ability to compete in the world environment and, therefore, an impact on our trade deficit and our net international asset position. In addition to the budget deficit and the investment deficit, there is another deficit, the trade deficit, that we have been experiencing.

As we can see in this chart, we have been running large current account deficits.

These large deficits led to a deterioration in our net international asset position. Ever since World War I, the United States has been a creditor nation. In other words, we held more claims on people overseas than they held on us.

As we started running these large trade deficits, that position began to deteriorate. And in the mid-1980's, our position worsened and we went from being a creditor nation to a debtor nation.

I submit to you, very simply put: The President's investment program is designed, in part, to help reverse this trend, to make us more effective competitors. That is why he has talked about research and development; that is why he has talked about infrastructure; that is why he has talked about education and training; that is why he has talked about measures in the private sector to encourage investment in new plant and equipment, all of which are needed to strengthen our economy and make it work for the future.

Mr. President, I have talked about the jobs deficit, the economic growth deficit, the investment deficit and its relationship to the trade deficit.

Now let me talk just briefly about the budget deficit.

The United States came out of World War II with a very heavy debt load, larger in relative terms than we are experiencing now.

We then were able to work it down. The absolute figure of the debt did not come down, but the economy was growing at a pretty good rate so the debt as a burden on the economy was diminishing.

People always tend to look at the debt and say what is the absolute number of it? But to put it in individual terms, would you rather be someone with 5,000 dollars' worth of income and 1,000 dollars' worth of debt or 50,000 dollars' worth of income and 2,000 dollars' worth of debt? I think most people, if they stop and think about that, even though the latter person has more debt, he has $2,000 rather than $1,000, he has 10 times as much income, $50,000 rather than $5,000. So I think most people would say No, I would rather have 50,000 dollars' worth of income and 2,000 dollars worth of debt rather than 5,000 dollars' worth of income and 1,000 dollars of debt.

Our economy was strengthening and growing and we were bringing the debt down as a percent of the gross domestic product. But beginning in the early eighties, this started going back up again.

Of course the President is committed to bringing this line down. That is what this deficit reduction program is about. A lot of objective observers have called this the most credible deficit reduction program that has been presented to the public and to the Congress in the last two decades.

Will the chairman yield me an additional 8 minutes?

Mr. SASSER. I would be pleased to yield to the distinguished Senator from Maryland an additional 8 minutes.

The PRESIDING OFFICER. The Senator is so recognized.

Mr. SARBANES. The consequence of this increase in debt is that the interest charge on the Federal debt, the net interest charge, has risen markedly over this last decade. That is partly because interest rates went up. They are now coming down which should ease that burden. But it is also because the debt went up by such significant numbers over the last 10 years. The national debt in 1980 was less than $1 trillion. The national debt when President Bush left office was over $4 trillion. So it grew from $1 trillion to $4 trillion, over a 12-year period.

Mr. President, the effort by President Clinton to bring this deficit under control is very important. And the President has put out a strategy, a balanced strategy of spending cuts and revenue increases in order to accomplish his deficit reduction objectives. In other words, we have a program here that is trying to do deficit reduction. It has room in it to address the investment deficit, thereby strengthening our economy for the future so we are better able to compete internationally. It has a short-term stimulus designed to get the economy moving sufficiently that it can continue to grow as we undertake this very serious and substantial deficit reduction which is part of the President's economic program.

I want to address just one other point and that is the complaint from those who say we like a lot of this but we do not think the President ought to try to raise additional revenues. Some say in order to avoid increasing revenue let us not have any investment. Let us drop the investment dimension of this economic package.

I say to them, if we fail to make these investments, if we do not educate and train our work force, if we do not upgrade our physical infrastructure, if we fail to do research and development to put us on the cutting edge of technology, and if we fail to encourage new plant and equipment to make us more efficient producers—how are we going to be able to compete in the new world economic environment? We have to do those things for the sake of our own economic survival in the world competition in which we find ourselves.

Let us look for just a moment at the major place where the President wants to go to get his revenues. Actually, the President's revenue increases will fall most heavily on high-income people. The 2 percent of families in this country who make more than $200,000 will pay about 60 percent of the additional taxes. Actually in excess of that.

Let us just look for a moment at what happened at the top end of the income scale over the last 15 years or so.

People say we do not want you to talk about that because that is class warfare. It is not class warfare. It is really a question of whether people are going to carry a fair share of the burden. What happens, of course, is people reap major rewards and then they want to freeze the situation that way. The pretax income for the top has increased 85 percent, and their after-tax income has increased 105 percent since 1977.

Now, their taxes went up 50 percent. Because people are always asserting that the very wealthy are paying more taxes. Yes, they are paying more taxes because they have more income—much, much, much more income. In fact their income grew at a significantly higher rate than their taxes.

Look what has happened to the change in share of incomes by income groups during this period. Everyone has lost in share of income until you get to the top 10 percent of the population and they have gained. And the top 1 percent gained 60 percent, in terms of income share.

I do not think it is unreasonable in order to try to work the Nation out of this economic situation in which we find ourself to ask those who have benefited so enormously over the last decade—who have had these tremendous increases in income and in after-tax income—has asked, to share in trying to meet the situation in which we find ourselves in order to address these deficits: The investment deficit, the budget deficit, the trade deficit which has made us a debtor rather than a creditor. How can we be a world leader and be a debtor nation?

The President has put a package together to meet those problems. The chairman of the committee has reported out a budget resolution to implement the President's program. I very strongly support it.

Again, in closing, I commend the chairman of the committee for the extraordinary leadership he has provided on this critical issue.

This is an opportunity to move this Nation forward, to put the economy on a basis upon which we can build for the future. I strongly urge the support of this budget resolution.

I yield the floor.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Maryland for his comments and for his very eloquent and persuasive discourse here this afternoon on our economy, how we got where we are, and how we propose to extricate ourselves from this problem.

I yield to my friend from Washington.

Mr. GORTON. Mr. President, I yield 15 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

A CLOSER LOOK

Mr. McCAIN. Mr. President, as we begin debate on the budget resolution, it is important that the American people clearly understand what the debate is about. Let me say at the outset, that contrary to their expectations, contrary to their hopes and dreams, that the plan put forward by President Clinton is not about reducing the deficit, it is not about putting our Nation on a path to prosperity.

No, the President's plan is about Government—big Government. It is about increasing the role of the Federal Government in our everyday lives, about increasing America's dependence on Federal largesse.

And it should be well understood that the course on which we are headed will be increasingly difficult to alter. By substantially broadening the base of Federal programs, by significantly increasing the number of American's who will come to rely on Federal handouts, by increasing the number of constituencies and special interest groups with vested interests in Federal programs, it will become more difficult with each passing year to actually eliminate the budget deficit.

When the President introduced his economic plan some weeks ago, announcing an economic call to arms, he clearly tapped into a vein of deep frustration and discontent among the American people. The taxpaying public are almost desperate for some sense of direction from Washington, some demonstrated commitment to fiscal sanity and reducing the deficit.

Unfortunately, however, the plan put forth by the President cannot, will not, meet the American people's raised expectations. While the President's proposals are still quite sketchy—I commend my colleagues attention to a Washington Post article this morning discussing the mysteries of the President's proposals—the information which has come to light during the past 4 weeks indicates quite compellingly that the President's plan is not a serious attempt at cutting Government spending and reducing the deficit, but rather a sweeping shifting of national priorities to bigger Government and more Federal spending on an astonishing array of social programs.

Mr. President, while rhetoric and political posturing have dominated the debate thus far, it is possible, indeed vital, to apply objective criteria to consideration of the President's proposals. Any credible and serious plan to eliminate a budget deficit and begin to reduce the national debt, while laying the framework for future economic

growth and an improved standard of living for our children, must meet six basic criteria:

First, Government spending must be significantly reduced. Not at the margins. Not just reductions in the growth of spending. Unneeded or unaffordable Federal programs must be significantly reduced or eliminated.

Second, the plan must provide for long-term deficit reduction, moving toward a balanced Federal budget and creation of surpluses to reduce the national debt.

Third, the plan must contain budget enforcement mechanisms to ensure that deficit targets are met and promised spending cuts in out years actually materialize. No longer can we promise and fail to deliver.

Fourth, the plan must promote savings and investment and thereby provide the framework for long-term structural, economic, and job growth.

Fifth, the plan must be fair. It must not unduly burden any one segment of the taxpaying public, especially those who are least able to shoulder additional financial hardship.

Sixth, the plan must be honest. It must be bereft of accounting gimmickry and the smoke and mirrors ploys which have for too long been part of Federal fiscal gamesmanship.

I think any Member of this body, and, more importantly, any taxpayer, would agree that these are the essential elements of a credible, long-term deficit reduction and economic growth plan. Every one of these criteria must be met; none can be sacrificed.

A closer look at the President's plan, however, reveals that not a single one of these criteria are met—not one. It simply does not cut Government spending, it does not reduce the budget deficit over the long run, it does not contain any budget enforcement mechanisms, it will inhibit economic and job growth, it unduly burdens certain segments of our society, and it relies on accounting gimmicks and budget legerdemain. The conclusion is inescapable that the American people are once again being sold a bill of damaged goods.

Mr. President, since some have accused myself and my Republican colleagues of nitpicking and partisan sniping, I will demonstrate in some detail exactly how the President's plan so completely fails to meet its stated goals.

DOES THE PRESIDENT'S PLAN CUT GOVERNMENT SPENDING?

The answer, quite simply, is "No," it does not. Despite some claims to the contrary, under President Clinton's plan, government spending will actually increase substantially during the next 6 years over current levels.

The simple fact of the matter is that, even using the numbers provided by President Clinton, Government outlays will rise from $1.475 trillion in 1993 to $1.767 trillion in 1998, for a total of $758 billion in new Government spending over the next 6 years, above 1993 spending levels. Stated another way, the Clinton plan will increase Government spending by $758 billion more than if we froze Government spending at 1993 levels.

All the talk about cuts in spending is just that—talk. The only thing that is being cut is defense. At best, there will be modest reductions in the expected growth of Federal spending. While some programs may be scaled back modestly, these cuts are more than offset by new spending increases.

However, before jumping into the intricacies of the Federal budgetary process, I think it is appropriate at the outset to emphasize that the Federal deficit is the result of too much Government spending, not a lack of tax revenues. President Clinton is proposing the largest tax increase in history, $360 billion, when he should be proposing the largest cut in Government spending in history.

Since 1974, Federal revenues, that is tax receipts, have remained relatively static in relation to our national output—approximately 18 to 19 percent of gross domestic product. During that same period, however, Federal outlays have steadily increased to approximately 24 percent of GDP. Cutting Government spending is the answer to the budget deficit, not raising taxes.

Mr. President, as you will recall, we were originally promised that there would be $2 in spending cuts for every $1 of tax increase. That promise was quickly jettisoned. When the President's plan was unveiled, the administration was insistent that there were $1 in spending cuts for every $1 of tax increase.

Now we find out, thanks to CBO figures released recently, that there are $4.85 in tax increases for every $1 of spending cuts. When is President Clinton going to play straight with the American people?

A closer look at the so-called spending cuts in the Clinton plan also demonstrates that they are largely illusory. For example, the administration's proposal is to save $8 billion by streamlining Government—without specifying how Government will be streamlined, what programs will be affected, and how the savings will be achieved. Similarly, the administration hopes to save $35 billion over 4 years by managing Government for cost effectiveness.

These laudable goals have been attempted, and claimed as budgetary savings, by virtually every Presidential administration. But unless the President has some new magic elixir that he hasn't told us about to squeeze fraud, abuse, waste, and mismanagement out of the Federal Government, it is extremely doubtful that savings of this magnitude will ever be achieved. And if they are not, I can assure you that they won't be substituted with new cuts—the deficit will simply increase further.

Even if these savings could be realized, they still don't represent real cuts in Government programs, as promised by President Clinton during his campaign. In fact, the President promised that 150 programs would be eliminated. However, the President's plan dealing with programs that don't work or are no longer needed lists only a handful of programs which are reduced in scope, and only one, the State Justice Institute, which is actually eliminated, for a total savings of $6.5 billion over 4 years.

Mr. President, these are hardly the serious cuts in Government spending that the American people are expecting.

Moreover, most of the cuts come on the back end of the Clinton plan, while the tax increases and spending increases come on the front end. For example, the Clinton plan contains $36 billion in tax increases for 1994 with only $2 billion in spending cuts—a 13-to-1 ratio. Past experience tells us that back-ended spending cuts never materialize.

DOES THE PRESIDENT'S PLAN REDUCE THE DEFICIT IN THE LONG RUN?

The answer is "No." Again, accepting for a minute the validity of the President's own budgetary numbers, the deficit will fall to over $200 billion in 1998, and then immediately begin rising. By 2003, the annual budget deficit would be over $400 billion annually. The economic plan offered by the President will actually increase the level of the national debt by nearly $1 trillion during the next 4 years.

As economist Paul Craig Roberts has noted, that's $183 billion more than the cumulative deficit of President Reagan's first term and $238 billion more than his second term.

It is imperative that we craft an economic plan which will not just reduce the size of the deficit in the short run, but which will also eliminate the deficit in the longer run and enable us to begin reducing the national debt. The interest on the national debt now exceeds $200 billion annually. By reducing the national debt, we can actually free up scarce Federal resources that could be spent on those most in need.

DOES THE PRESIDENT'S PLAN CONTAIN ENFORCEMENT MECHANISMS TO ENSURE THE DEFICIT TARGETS ARE MET AND SPENDING IS ACTUALLY CUT?

The answer is "No," the President's plan does not contain any mechanisms to ensure that what we promise, we will deliver. Time and again we have committed to the American people that we will increase their taxes and cut spending in order to reduce the deficit. And time and again we have failed on that commitment.

When push comes to shove, we pass the tax increases, we pass new spending

increases, the tax cuts never materialize and the deficit goes up. And Congress slinks away into the night mumbling that there was an emergency or that circumstances had changed. It's the same old song and dance.

One of the individuals who continues to speak out on these issues, of course, is Mr. Ross Perot, who was able to get 19 percent of the vote nationwide, 20-some percent of the vote in my State. Mr. Ross Perot said the other day, and he continues to repeat it, that if you do not have a balanced budget amendment and you do not give the line-item veto to the President of the United States, it is like giving a friend who has a drinking problem a liquor store; Congress will find more ways to spend the money.

Mr. President, the last time I was on this floor, I had some charts that showed the results of the budget summit agreements. Each time there was a commitment, as there is today on this budget we are considering, there was a commitment to cut taxes, for $1 or $2 or $3 or $4 for every increase in spending and to cut the deficit. The result of each one of these over the last 12 years has been the opposite. The spending has gone up, the taxes have gone up, and the deficit has gone up.

Our problem in America, Mr. President, is not the fact that we have not spent enough money; the fact is we have spent too much money, and we are continuing to do that under the President's plan, which has been well described by my colleague from New Mexico, Senator DOMENICI, and others.

Only in this body perhaps, Mr. President, is there a majority of Americans who oppose a balanced budget amendment to the Constitution. There may not be. I hope there is not. I think we are going to find out, at least I hope we find out as soon as possible as to whether this body, like about 75 percent of the American people, supports a balanced budget amendment to the Constitution.

Why has this support, and I see my friend from Illinois who has been a leader in that effort on the floor, why is it this support for a balanced budget amendment has gone up so dramatically over recent years? The answer is simple, Mr. President: The American people do not have any faith or confidence, nor should they, that the Congress of the United States can effectively control spending.

We spent a lot of time and heard from our friends from Maryland and Tennessee about the previous Presidents did this, the previous Presidents did that, these Presidents did that. Let us not ignore the basic fundamental fact of the Constitution of the United States, and that is, there is only one body who can spend money and that is the Congress of the United States. The American people want, demand, and deserve a balanced budget amendment.

Unfortunately, Mr. President, I predict to you now that the results of this budget agreement will be no different without a balanced budget amendment and a line-item veto than any other budget agreement in the last 10 or 12 years.

I would certainly prefer that Congress make the tough decisions when necessary to bring the deficit under control. However, I am convinced that the necessary institutional discipline is lacking and without a balanced budget amendment, Congress will continue to spend away our children's standard of living. Similarly, I believe we must give the President the line-item veto. Congress simply lacks the institutional willingness to stop spending billions of taxpayer dollars on wasteful, pork-barrel projects.

DOES THE PRESIDENT'S PLAN PROMOTE ECONOMIC GROWTH AND JOB CREATION?

The answer is "No." The evidence is overwhelming that tax increases, especially of the magnitude being proposed, will seriously impair prospects for continued economic growth. In addition, while President Clinton has said that jobs are his No. 1 priority, his plan is likely to result in slower job growth than might otherwise be expected.

Americans are already struggling under the heaviest tax burden in their history. Combined Federal, State, and local taxes now account for more than 35 percent of our total national economic output, compared to just over 30 percent in 1970. Yet this 20-year trend of rising taxes has also seen the greatest surge in Federal debt and a general decline in the growth rate of the economy.

While the Bush recovery is now well underway, with growth in GDP up to 4.8 percent, significantly increased productivity rates, and the unemployment rate steadily, albeit slowly, declining, the Clinton administration's tax and spend policies could imperil the prospects on long-term economic recovery.

President Clinton would like to call himself the "jobs President." He says he plans to create 8 million new jobs during the next 4 years—put aside for the moment that fact that 19 million new jobs were created during the Reagan and Bush Presidencies. He says that he wants to create 500,000 new jobs this year—put aside the fact that 345,000 new jobs were created during the month of February alone.

What is of real concern is that economists believe that the Clinton plan will result in a net loss of jobs. We already know that the President's proposed defense cutbacks will result in as many as 400,000 military job losses, and hundreds of thousands of additional defense related civilian job losses.

In addition, businesses faced with higher tax rates will have less capital to be able to invest in new plant and equipment and worker hires. The significantly higher personal income tax rates will directly reduce the cash flow of the many small-business owners who file as individuals, and who were the biggest job creators during the past decade.

A recent economic analysis of the President's proposals by the National Association of Manufacturers predicts that it will cause a net loss of 1.2 million jobs, more than half accounted for by the Btu and energy-related taxes. These have a sharp contractionary effect on the economy because of their simultaneous impact on the price level and the production function.

Moreover, most of the jobs which would be created by the Clinton proposals are either short-term, or make-work Government jobs. For example, the President proposes to pump more than $1 billion into summer jobs programs to bolster his new job creation numbers, although as the Washington Post reported recently, the plan "has drawn critical reviews from many labor economists, who say it will provide little more than fire insurance for the Nation's cities, rather than long-term job creation."

Similarly, much of the President's anticipated job growth comes from Federal make-work projects, such as highway construction. Again, these are short-term jobs, which will quickly be eliminated after the Federal funding of these projects runs dry.

IS THE PRESIDENT'S PLAN FAIR?

The answer is "No." While the President has called for sacrifice—code for more taxes—on the part of all Americans, he is, in fact, proposing that certain segments of our society make a disproportionately larger sacrifice.

During his campaign, President Clinton assured the American people that he would only tax those who made more than $200,000 per year. When President Bush pointed out that his proposals could raise the tax burden on families making as little as $36,000 per year, candidate Clinton called President Bush shameless.

Many senior citizens were thus understandably astounded to wake up the morning after the President announced his plan to find out that those elderly in our society that make as little as $25,000 and elderly couples making as little as $32,000 would not be classified as rich because they will have an increase in their taxes. I do not think that is fair. I think it is very important for us to recognize that the seniors in this country are getting a triple whammy. With the Btu tax, seniors and elderly citizens in my State are very much dependent in the summertime on air-conditioning and other essential utility bills. The fact is that they are going to have a tax increase, and, Mr. President, I do not believe that we are treating them fairly.

I want to again state that when I first came to the Congress of the United States, we made a deal with the sen-

ior citizens of this country, and we did it for the purpose of saving the Social Security system from financial disaster. We made a deal, and we increased their taxes, in return for which the senior citizens of this country were assured that they would receive the benefits from the Social Security system, a contract that they entered into with the Federal Government. Now we are going back, and we are going to tell them we are going to tax them more and the taxes that were taken from them are not going into the Social Security trust fund. They are going into general revenues so Congress can find another way to spend them.

Mr. President, when the senior citizens of this country find out what is being done to them, I think they are going to understandably be disturbed, to say the least.

There are many other unfair elements to the President's plan. The inland waterways tax has the potential to put barge carriers out of business. The mining and grazing fees will disproportionately affect certain industries and Western States. The Btu tax will hit especially hard on energy-intensive industries, such as the airline industry, which can ill-afford additional financial setbacks.

I think one of the most unfair, and disturbing, elements of the President's proposal is the burden that would be placed on married couples, as contrasted with couples who may be living together but are not married. A recent Wall Street Journal headline is illuminating, "Living in Sin to Cut Tax Bill Would Look Even Better to Some Under Clinton Plan."

As the accompanying article notes, "some low income taxpayers who marry can find that their new combined tax liability, including Social Security taxes, leaps to more than 45 percent of their taxable income. And couples with two high earners can pay tens of thousands of dollars more than they would owe if they were single." Exactly what kind of message is the President attempting to convey?

IS THE PRESIDENT'S PLAN FREE OF SMOKE AND MIRRORS?

The answer, once again, is "No." Although President Clinton promised to adhere to "truth in budgeting," his proposals are chock full of accounting gimmicks, sham program cuts, and other budget legerdemain.

In fact, the smoke and mirrors were apparent on the first day the President's plan was unveiled, when the administration was forced to acknowledge the following day that the planned deficit reduction needed to be reduced by $178 billion to account for new spending. More recently, the Congressional Budget Office determined that the plan would fall another $60 billion short of its targets.

What can one expect, however, from a budget in which higher taxes on Social Security income, user fees, and price controls on doctors and hospitals are all counted as spending cuts? What can one expect when the planned for revenues from the various tax increases assume that there will be no change in taxpayer behavior? It's simply not realistic.

Most telling are the conclusions and comments contained in an article appearing in this morning's Washington Post entitled "At Agencies, Clinton Budget Cuts Still Mysterious to Many." As noted in the article, "A month after President Clinton announced his economic plan, many Federal bureaucrats are still scratching their heads over proposed spending cuts that some described as ill-defined, sometimes arbitrary, occasionally misleading and, in many cases, incomprehensible."

The article continues, "Some officials complained that they do not understand the administration's calculations. Other said some of the cuts were not cuts at all, but simply new ways of calculating spending. Still others expressed confusion about the administration's vague instructions to cut something without advancing any clues about how to do it."

Mr. President. It is absurd, and unconscionable, that we are being asked to consider a budget resolution which remains a mystery to Members and those who must implement its provisions.

CONCLUSION

In the final analysis, the budget debate boils down to what is best for the country. The Clinton plan, with $360 billion in tax increases and $180 billion of increased Federal spending on a wide array of social programs, will not only not reduce the deficit in the long run, it will discourage savings and investment, and likely impair economic performance and structural job growth. This will be especially true, if as I fear, Congress enacts the spending increases and tax cuts now, while putting off the bulk of the spending cuts until 1996 and 1997.

This is not the path to prosperity. This is simply a continuation of the fiscal insanity which has for too long plagued Washington. In this case, the proposed cure will only worsen the disease.

Mr. President, President Clinton tells us that the only way to reduce the deficit is to raise taxes. He has apparently succeeded in convincing a significant percentage of the American populace of this. The fact is that Republicans have offered detailed, specific alternatives which provide more overall deficit reduction than the Clinton plan, without raising taxes. These plans focus on cutting Government spending, not increasing it. While it may ultimately be necessary to consider tax increases in order to completely eliminate the budget deficit, tax increases should be a last resort—not a first resort.

Rather than debating how best we can grow Government, and involve Government ever more deeply in Americans' lives, we must first determine what the role of Government should be, what can it afford to do. Ultimately, the only way we can control the budget deficit is to reduce the level of Government spending. It's that simple. Otherwise, we will be in a never-ending spiral of new tax increases to pay for ever expanding Government programs.

This is not a path to prosperity. It is a course that will ensure that our children's future standard of living will be worse than ours.

An additional 2 minutes, Mr. President.

Mr. GRASSLEY. I grant an additional 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Finally, Mr. President—I appreciate the indulgence of my colleague from Iowa—I ask unanimous consent that this article from the Washington Post be made a part of the RECORD.

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

[From the Washington Post, Mar. 18, 1993]

AT AGENCIES, CLINTON BUDGET CUTS STILL MYSTERIOUS TO MANY

(By Guy Gugliotta)

A month after President Clinton announced his economic plan, many federal bureaucrats are still scratching their heads over proposed spending cuts that some described as ill-defined, sometimes arbitrary, occasionally misleading and, in many cases, incomprehensible.

During the past two weeks, Washington Post reporters discussed Clinton's plan to cut about $250 billion in spending over four years with officials from 11 government agencies. Most had a general idea of what was going to happen to them, and some showed detailed understanding of the package.

But with less than three weeks remaining before the formal budget is to be presented, officials from several agencies expressed mystification about large chunks of money they are supposed to cut from their budgets.

Some officials also complained that they do not understand the administration's calculations. Others said some of the cuts were not cuts at all but simply new ways of calculating spending. Still others expressed confusion about the administration's vague instructions to cut something without advancing any clue about how to do it.

Take, for example, "streamlining," a catchall that very few people understand, but which is supposed to save $7.9 billion between fiscal 1994–1997.

MAGIC BUDGET-CUTTING BULLETS

Streamlining is the greatest magic bullet in the spending cuts. One Department of Housing and Urban Development (HUD) official said "we will take seriously" $1.4 billion in streamlining, and suggested freezing some unspecified programs and reducing rents paid to some owners of subsidized housing.

But many other departments appear to have no idea what streamlining means or what it entails.

The Department of Health and Human Services is supposed to shed $2.7 billion over five years, but the number was the only thing HHS officials knew about; no other details were available.

The other magic bullet—also expected to save $7.9 billion by the end of 1995—is the federal government-wide elimination of 100,000 jobs. Everybody is supposed to contribute a "fair share."

The Department of Veterans Affairs has found that its fair share is 9,000 jobs, a tough hit for VA hospitals. "That's obviously something we're negotiating," a VA budget officer said. It would be especially problematic because VA Secretary Jesse Brown is proposing that the system handle a large increase in the number of patients.

At the Office of Management and Budget, the number of employees is supposed to decline by 1 percent, or about five of the roughly 500 positions. "If that includes people who die at their desks," said one overworked OMB official, "I'm sure we'll make it."

At HHS, where the fair share is supposed to be 4,000 to 5,000 positions, nobody there knew whether that meant cutting the roster of current employees or cutting the authorized positions. If it is the latter, outside analysts contend, the savings are theoretical, not only in HHS but in every other agency.

This problem—trying to find the starting point or baseline—was causing bureaucrats throughout the government to throw up their hands.

Another headache arises when budget analysts try to figure out whose estimates of savings are accurate. Democrats regularly ripped into Bush administration budget director Richard G. Darman for sunny predictions that never came true. Clinton is supposed to be more conservative.

The new puritanism can be confusing. In one proposed Medicaid program change, the Clinton plan relied on Bush administration figures that forecast savings of $1.9 billion in 1995. The Congressional Budget Office, however, pegged the figure at $850 million. What's $1 billion between friends?

Not to worry, said HHS Deputy Assistant Secretary Ken Thorpe. Next month's detailed budget proposal for fiscal 1994 will rely on new estimates putting savings close to CBO, or even lower.

Once into baselines and estimates, it's only a short step to deficit-cutting's favorite ploys: spend now, but count it next year; cut a program in one place, but pick it up elsewhere.

The Energy Department, for instance, intends to spend less each year on the Superconducting Super Collider than planned by the Bush administration, but doing it Clinton's way adds $2 billion to the projected total cost, with completion in 2003 instead of 1999.

And at first blush, the Clinton plan also suggests a $4.1 billion savings over five years at the Environmental Protection Agency through the expiration of a federal revolving fund used by local governments to help finance waste water treatment projects.

But a closer look shows that the savings will be more than offset by Congress's expected approval of a new revolving fund, plus a new safe drinking water revolving fund—adding about $4.8 billion over five years. "The bottom line is you've added it right back," said a Senate Budget Committee aide. "So you can't really call it savings."

A TOUCH OF WISHFUL THINKING

The Clinton plan also relies heavily on wishful thinking, always number one on the budgetary hit parade. This gambit can take several forms, and one of the most popular is simply to declare that something must be cut, period, spare me the details.

The Small Business Administration is supposed to eliminate "certain programs" to save $315 million over four years. But, with one exception, SBA has no idea what certain programs Clinton has in mind: "We are as much in the dark as to what these numbers mean as you are," said SBA acting Administrator Dayton Watson.

So is the Justice Department, which is supposed to trim the Bureau of Prisons' new construction budget by $331 million between 1994 and 1998—this for an agency that expects the federal prison population to jump from 82,000 today to more than 104,000 by 1997.

Justice Department spokesman Frank Shults said, "My understanding is that they have said, 'You have this money. How you spend it is going to be up to you.'"

Another subject of wishful thinking is to make extraordinary claims on behalf of a particular deficit cut: Thus, the Treasury Department hopes to pick up $3.8 billion in revenue from a "compliance initiative" to ensure that the prices of oil imports are reported accurately—billions through better bookkeeping.

And the new "farmer friendly" Agriculture Department plans to save $739 million over four years by consolidating the department's three biggest subsidy and assistance programs into one new Farm Service Organization. This is 3½ times as much savings as any previous structural reform estimate, but the administration insists it can be done.

Details, however, to come later.

Perhaps the administration's biggest leap of faith comes in its apparent certainty that Congress will cooperate, either because the Democrats control everything for the first time in 12 years, or because the Clinton administration is pure of heart.

Most of the suggested Medicare and Medicaid changes at HHS (designed to save $62.6 billion over five years by slowing program growth) were proposed by Republican administration but rejected by Congress. So were nearly $1.9 billion in cuts to the Agriculture Department's farm programs.

A PINCH OF DEMOCRATIC UNITY

Clinton is hoping Congress will like his cuts because he's a Democrat, but Congress doesn't seem particularly anxious to cooperate in all cases. The House Agriculture Committee chairman and ranking minority member have already registered bipartisan objections to a number of big ticket items.

Grumbling is also rife at the U.S. Postal Service, where the Clinton plan hopes to save roughly $1.2 billion by cutting the government subsidy for nonprofit mail and cutting payments for retirees' health insurance.

Both strategies were proposed by the Bush administration and rejected by Congress. Arthur B. Sackler, managing director of The Mailers Council, a group composed of large mailers, predicted that passage of the measures—which the Mailers call a "stamp tax"—would make a postal rate increase inevitable.

Meanwhile, at HUD, the administration intends to cut $565 million by eliminating "Special Purpose Grants," used to finance special projects written into HUD's annual appropriation by Congress.

Clinton is thinking bigger at the Transportation Department, which is supposed to cut $1.3 billion in "low-priority transportation programs and projects," including all "demonstration projects" tacked onto highway bills by Congress's appropriations committees.

Anyone who has been around Washington for 10 minutes or so knows that items labeled "special purpose" or "demonstration" give off a pungent odor of pork. Presidents have been trying for two centuries to keep Senators and Representatives away from the public trough. Clinton may succeed where others have failed. But maybe not.

Mr. McCAIN. Finally, Mr. President, I certainly was interested in the analysis of my distinguished colleague from Maryland of the budget and its situation. He also mentioned that the President's analysis was thorough and in depth. I would appreciate it if the Senator from Maryland would read this morning's Washington Post article, with the headline, "At Agencies, Clinton Budget Cuts Still Mysterious to Many." I hope he will be able to clear up some of the mysteries that apparently exist throughout the agencies as to what we are talking about, especially where it says "streamlining" is "supposed to save $7.9 billion between fiscal 1994–1997."

This article goes on to say:

The other magic bullet—also expected to save $7.9 billion by the end of 1995—is the Federal Government-wide elimination of 100,000 jobs. Everybody is supposed to contribute a "fair share."

The Department of Veterans Affairs has found that its fair share is 9,000 jobs. * * * It would be especially problematic because VA Secretary Jesse Brown is proposing that the system handle a large increase in the number of patients.

At HHS, where the fair share is supposed to be 4,000 to 5,000 positions, nobody there knew whether that meant cutting the roster of current employees or cutting the authorized positions. * * *

The Small Business Administration is supposed to eliminate "certain programs" to save $315 million. * * * But, with one exception, SBA has no idea what certain programs Clinton has in mind.

I am quoting from the Washington Post, Mr. President.

"We are as much in the dark as to what these numbers mean as you are," says SBA acting Administrator Dayton Watson. * * *

Another subject of wishful thinking is to make extraordinary claims on behalf of a particular deficit cut: Thus, the Treasury Department hopes to pick up $3.8 billion in revenue from a "compliance initiative" to ensure that the prices of oil imports are reported accurately—billions through better bookkeeping.

I am very, very interested in hearing how we are going to save $3.8 billion through better bookkeeping. In fact, I think the National Association of Accountants would be very interested in that information.

Clinton is thinking bigger at the Transportation Department, which is supposed to cut $1.3 billion in "low-priority transportation programs and projects," including all "demonstration projects" tacked onto highway bills by Congress' appropriations committees.

I am quoting from the Washington Post. These are not my own thoughts here.

Anyone who has been around Washington for 10 minutes or so knows that items la-

beled "special purpose" or "demonstration" give off a pungent odor of pork. Presidents have been trying for two centuries to keep Senators and Representatives away from the public trough. Clinton may succeed where others have failed. But maybe not.

Mr. President, I am looking forward to explanations to this and other questions that have been raised, and I am also very interested in hearing the specifics of the proposed defense cuts, which are the most draconian and far-reaching than any time since the end of World War II. As to exactly what those specifics are, I am very interested.

I have one specific concern in the defense area, Mr. President, and I will have an amendment later on concerning it, and that is President Clinton's proposal to freeze all military pay. I noticed that many of my colleagues were very upset about base closings and the dislocation of military personnel and civilian workers at the bases. However, I have not heard any complaints about freezing the military pay.

Mr. President, many men and women who serve in the military are eligible for welfare and are eligible for food stamps—how can the administration justify freezing their pay for 5 years? Mr. President, if that is indeed the priority of the administration and the majority of the Members of this body, then we are doing a great disservice to those men and women who serve in the military, and we are going to put the national security of this Nation in danger, because we are not going to be able to attract and keep the kind of quality men and women who have made this All-Volunteer Force the finest and most efficient fighting machine that this world has ever seen. The basis and backbone and fiber of that All-Volunteer Force is adequately compensated men and women. So what are we going to do? We are going to freeze their pay for 5 years. Outrageous, Mr. President. Outrageous.

I think that if I had to pick tree planting, which is in the President's stimulus package, the ballyhooed stimulus package my friend from Maryland was just talking about, that is, $260 million for tree planting versus freezing the pay of the members of the military, I think most Americans would choose to abandon tree planting and give the pay raise to the men and women who serve in the military.

I think many of these proposals need to be ventilated and, frankly, a lot closer attention paid.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. BOXER. Mr. President, on behalf of the chairman of the Budget Committee, he has asked me to yield 15 minutes to the Senator from Illinois. Before I do, he has also asked that I respond to the Senator from Arizona, and I would ask that I have the time to do that.

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

Mrs. BOXER. I would like to say to the Senator before he leaves that his statement about military pay is completely wrong. Nothing like that has ever been said by this President. And when you look at the documentation which I am putting into the RECORD, I would say to my friend, you will see that in essence there is, in fact, a 1-year pay freeze asked for by this President for all Federal employees.

Now, it is true that this President is treating the military and civilian employees alike. And I say to my friend that both of these categories have received 9 percent pay increases in the last 3 years. So as we look to bring down this deficit, this President is saying for the first year, for the first year let us have a sacrifice in behalf of Federal employees. And I would add that this President's call for sacrifice has been responded to by most people. To stand here and assert that President Clinton has called for a pay freeze for our military men and women for 5 years when this is not the case is quite astounding to me.

So I ask unanimous consent I enter into the RECORD the CBO assumptions that are based on the President's policies and as a matter of fact the Budget Committee's work.

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

PAY ASSUMPTIONS

[Total 1994–98=$26.3 billion]

	1994	1995	1996	1997	1998
Bush, January 1992	4.7	4.7	4.5	3.5	3.5
Bush, January 1993	2.2	3.0	2.7	2.6	2.3
Clinton	0	2.0	1.7	1.6	2.3

Mrs. BOXER. At this time I would like to yield 15 minutes to my good friend, the Senator from Illinois, the senior Senator from Illinois.

Mr. SIMON. I thank my colleague from California and am pleased to have a chance to speak about this budget resolution.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. I thank the Chair.

I would like to commend the chairman of the Budget Committee, Senator SASSER, who really has worked hard, together with his staff, in producing this budget.

Second, I want to applaud the President of the United States for being honest with us and presenting a budget that is really a solid budget. For example, he has said we will use CBO numbers and assumptions, so that we are all working off one set of numbers. Historically, CBO estimates in terms of growth of our economy have been more conservative than OMB's—and much more accurate. This is a conservative budget in terms of what it projects.

I have heard many say that there is too much spending in this budget. But the great spending item increase is interest on skyrocketing national debt. In fiscal year 1980, the gross interest expenditure—that is the figure we ought to use, this net interest figure that we use occasionally is a fraud—the gross interest expenditure was $74 billion. The estimate for fiscal year 1994 is $307 billion. That is one of the fastest growing items in the budget, not the other things that are talked about.

There is only one way to ever get interest on the debt under control; that is, to get hold of the deficit. I agree with my colleague from Arizona, who just spoke, that we need a balanced budget amendment. I think it is clear we simply do not have the discipline. If we could be assured that year after year we are going to have a Bill Clinton for President of the United States and that Congress would have the courage to follow through, we would not need a balanced budget amendment in the Constitution. Unfortunately, we have illustrated over and over again that we need it.

In terms of what the financial markets think about the Clinton budget proposal, it is very clear, from the drop in interest rates in the bond market and what the stock market has done, that the financial markets applaud what the President has done. My guess is this is purely hypothetical because no one can know—but my guess is that the increased taxes requested will not be as much money as the drop in interest rates that we have already achieved in terms of what it is going to cost the American public. If we can follow through—that is going to be the tough part in the years to come—by passing the taxes and cutting spending in certain areas, if we follow through in future years and get that deficit down, you will see interest rates come down.

I hold a seat that was once held by Senator Paul Douglas. And the Presiding Officer, if he will forgive me, is old enough, along with me, to remember Paul Douglas well. Paul Douglas was not only a great U.S. Senator, he was a great economist. Some of his economic theories are cited today by economists. He was president of the American Economic Association. In 1949, he made a speech saying we have to watch that Federal deficit; it is climbing up. At that point—that was fiscal year 1950—the federal deficit was $3.1 billion. Do you know what the prime rate was then? Believe it or not, it was 2 percent. We can get back to those kind of numbers if we face the problem. That is what the Clinton budget does.

I wish—and I hear talk that we should not have tax increases. Believe me, as a politician I wish we did not have to have tax increases. But let us just take a look at the budget that we have. If you eliminate interest—we

cannot eliminate that—if you were to eliminate any cuts in defense, if you were to eliminate mandatory spending—that is primarily Social Security, Medicare, and Medicaid—and eliminate foreign aid—that is 1 percent of the budget—if you were to eliminate all of these things, everything else that is left in the budget totals $243 billion. So, if you were to eliminate the agricultural programs, eliminate education, eliminate the FBI, the air controllers, eliminate Congress, and everything else, we would still be about $65 billion shy of balancing the budget. The reality is we have to have additional revenues.

(Ms. MOSELEY-BRAUN assumed the chair.)

Mr. SIMON. I wish that were not the case. But if we are going to serve the future of this National well, we are going to have to reduce the Federal budget deficit so that these pages have a decent future and so my 3-year-old granddaughter that the new Presiding Officer saw the other day has a future. We have to do that, and we can get started with the Clinton budget.

CBO's economic outlook, released in January, indicates that if we do not pass this budget, if we continue on the present course, by the year 2003, 9 years down the road, fiscal year 2003, the deficit will be $650 billion. The Clinton budget will get us started on a deficit-reduction path. If we can stop the skyrocketing increases in health care spending, which we hope the President's health care proposal will address, that will provide a great deal of additional deficit reduction down the road.

This suggests that even with this program, the deficit is so great that more deficit-reduction will be needed in the future. The President has launched us in the direction that we need to go, but we have to do more.

In terms of savings, the budget that has been presented by the Budget Committee and by Senator SASSER has substantially increased savings over the President's proposal.

There are other savings I would like to make. I would vote—and if there is an amendment offered, I will vote—to get rid of the space station. I do not think we need it. I think the evidence is overwhelming.

My friend from Arizona called the defense cuts draconian. I do not happen to believe that at all. The reality is our defense needs have changed dramatically. The Clinton budget makes some much-needed cuts in defense. I believe we can cut even more. Finally, there are so many positive things in the budget. In the field of education, for example, we are finally getting Head Start. We need that. We have been talking about it. Everybody says we ought to have Head Start for everybody. We finally have a budget that does it.

Pell grants. Pell grants are $2,300, and unless we vote this $2 billion that makes up for shortfalls in previous years, Pell grants are going to go down. I am old enough to remember the GI bill after World War II. If you take that and put the inflation index on it, a grant to veterans, regardless of income, today would be $8,100 per student. Today, we have the Pell grant where, if you are impoverished enough, you get $2,300. We are not doing what we should. But the Clinton budget says let us at least keep up with this. And then he moves into the direct lending program, which will provide appreciably more assistance for these pages and for future students.

The budget, Madam President, is a solid step in the right direction. I am pleased to support it. I think President Clinton is to be commended. I hope we do the responsible thing by passing it and then following through and doing the tough things that need to be done to get this deficit down gradually for the future.

Madam President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. Senator GRASSLEY.

Mr. GRASSLEY. I yield myself 2 minutes, and then I understand the Senator from Texas wants the floor.

Madam President, I have had an opportunity to listen to three or four speakers from the other side of the aisle just today. I hear a lot of talk about history and the past, but I do not hear much about the essential element and the bottom line of this budget; that is, that the debt over a 5-year period of time is going to increase from $4.4 trillion to $6.2 trillion—over the course of the Clinton Presidency. I want to hear somebody on the other side of the aisle defend that increase in that debt.

I know you can talk about what it might have been—if. But I am saying and what I did say in my remarks is that what this administration is proposing to be a debt of $6.2 trillion is just a start because that is what is proposed. In reality, we always end up at a higher figure.

The last 16 years, I think, have been horrible. That includes one Democrat and two Republican Presidents. We have to do something different than we have in the past. We cannot just be talking about the history. I would like to hear how anybody can defend adding to the debt $2 trillion. I agree with my colleagues that we added too much debt over the last 12 years, but we are about to increase that debt by 39 percent.

Would anyone care to defend that? The debt will increase 39 percent over the terms of this budget. That translates into—the current debt per person is $17,600. At the end of the Clinton administration, that debt is going to go up to $24,400.

The current debt per family of four is $70,400. When the Clinton debt is all done, family debt for a family of four is going to go up to $97,600. That is an increase of 39 percent in debt, an increase in the national debt at the rate of 8 percent a year when we are only having inflation in this country during that period of time estimated at 3.8 percent a year.

I hope we can hear some defense on the other side. I think we ought to remind them that we had a Democratic Congress during that entire 16 years.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, my distinguished friend from Iowa expressed a wish that he would hear a defense of the Clinton proposal here, and I am going to try to fulfill his wish.

The number he cites of an increase in the deficit over the next 4 years of $1.2 trillion, were it not for the Clinton proposal, that number would be $1.7 trillion. So the budget that is proposed by President Clinton, over the next 5 years, will reduce the deficit by $502 billion from what it would otherwise be.

The question is asked: Well, why do you not do more? Interestingly enough, those who are asking that question have no proposal themselves. They have no solution. They are the cohorts of the past three administrations, which have driven this country to the edge of fiscal bankruptcy. As my friend from Iowa, for whom I have the greatest respect, indicated earlier today, when Ronald Reagan took office, the national debt stood at about $900 billion. It took this country 200 years, Madam President, to build up a national debt of slightly over $900 billion.

Most of that came in the 20th century, as we fought wars because, make no mistake about it, wars are very expensive propositions. But even though we fought four major wars in the 20th century, World War I, World War II, Korea, Vietnam, the national debt still stood at $900 billion; and as a percent of gross domestic product, as my friend from Maryland pointed out here, which is really the most accurate measure of that indebtedness, it was continuing to come down as a percent of GDP.

Let us see what happens when President Reagan is elected to office and when he is succeeded by President Bush. You see this line of debt held by the public as a percent of gross domestic product coming down. It stops coming down and it reverses itself and goes back up.

That is the mess that President Clinton has inherited. He did not create this problem. He has only been President and in this town for about—frankly, less than 2 months.

So he has come up with a proposal, a balanced proposal to reduce this debt by $502 billion over the next 5 years. As

the distinguished Senator from Maryland so ably and persuasively pointed out here earlier, if he tries to reduce this debt any faster, if he puts the brakes on any faster, if there is any more fiscal contraction in this economy that President Clinton is proposing, or any more fiscal contractions with regard to the Federal Government than President Clinton is proposing, we run the very grave risk of killing this recovery in the cradle.

As has been stated earlier on this floor, this is a matter of concern to our allies, such as our great friends in the United Kingdom. The Prime Minister of Great Britain expressed concerns directly to the President that we might be putting the brakes on too fast here. Europe is in recession; Japan is in economic trouble, and our trading partners and trading adversaries are looking to the United States to provide the economic engine to ignite a worldwide economic recovery. They are afraid we are cutting too much.

What do our friends on the other side have to say about that? You are not doing enough. You are letting this deficit go up higher. You are letting the national debt go up even more. But when you ask them what is their solution, they have none.

The Senator from Arizona stood on the floor and criticized the President of the United States for freezing military pay for 5 years. Well, of course, that is not accurate. The distinguished Senator from California quickly corrected him and said that military pay, just like the pay of all Federal employees, will be frozen for 1 year. They will make their contribution to reducing the national debt just like all other Government employees will do, including the President and including Senators.

After that, military pay will rise just as the pay of other Government employees will, at the Consumer Price Index minus 1 percent. So they will continue to make their contribution and their sacrifice to reducing this national debt just like everybody else. But complaints, complaints, Madam President, that we are freezing military pay for 5 years. Where are the solutions? What are their solutions? I think the American people have a right to ask that question. What would they do about it?

There has been a lot of criticism here of the President's proposal. We have seen many multicolored charts. I see some more over here. You would think this was a Cecil B. DeMille production, the amount of money being spent on charts around here. But let us just look at a couple basic facts. The net spending cuts in the President's budget is $220 billion. There is not a dime of spending in this package that is not fully and completely offset by spending cuts. No question about it.

With regard to taxes, much is being made of taxes here. There are $295 billion in net revenues and every dime, every dime goes to deficit reduction. Every dollar of revenue goes toward a better standard of living for our children by reducing this debt.

Why are we in this mess? We all know why we are in it, because of something called the 1981 Kemp-Roth tax cut adopted by President Reagan that made the rich in this country richer by giving them an enormous tax cut and left the rest of us to pay the bill. And that is what we are out here trying to do today, trying to find a way to pay the bill for 12 years of abuse.

What do we hear from these people on the other side? What do we hear from our colleagues over there?

Well you cut military pay. Well, you are freezing military pay. Well, you are not cutting enough here. Well, you are raising some revenues here.

Yes, we are, because we have cried in this body for 12 years for leadership. The American people want leadership and they have got a leader. A young man has come into this city and said "enough."

We are going to tell the American people it is time to do something about what is happening here. We are going to change it. And he told them last summer and last fall he was going to change it, and they believed him. So he has brought to this body a budget of change. A budget that does something about this deficit, a budget that brings to us the largest deficit reduction package in the history of this country.

Yes, I say to my good friend from Iowa, for whom I have the greatest respect and affection, and he knows that, yes, the national debt does go up. I regret that. I regret that. But it is coming down. It will come down as a percentage of gross domestic product, and if we adopt this Clinton proposal, which uses the most honest numbers of any Presidential budget I have seen in the past 12 years, it starts out with CBO assumptions, if we adopt this Clinton budget we are going to see the deficit as a percent of gross domestic product cut in half, cut from 5 percent of gross domestic product in 1993, to 2½ percent of GDP in 1998.

So that is where we are, I say to my friends. I would hope that my colleagues on the other side of the aisle, yes, we welcome your constructive criticism; yes, if you have some specific suggestions to make that would improve this package, we want to hear them. But simply to come out and criticize, and carp and continue to point the finger of alarm here, that just will not get the job done.

That will put us right back in the soup of gridlock and that, Madam President, is what we have to do. We need action and not gridlock.

I yield to my friend from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, let me engage in a little very brief colloquy with the chairman.

Madam President, I say to Chairman SASSER, I want to yield right soon here. I think we have an opportunity after the Senator's discussion to speak, and I am going to yield 20 minutes to my friend from Texas. Could I ask a question about process?

Mr. SASSER. I will be pleased to answer my friend's question.

Mr. DOMENICI. I mean this very frankly. The Senator has challenged us as to what we proposed. Let me tell him, we have five amendments that we know of and many more that will tell the American people what we propose. We have to offer them in order for anybody to know. We are not getting a chance, and I am not critical yet, but pretty soon it seems to me if the Senator has an amendment, that is an opportunity to discuss anything one wants, but at least the time runs on the amendment. I wonder if we might stipulate here a time and maybe agree on it that the Senator could take up his first amendment by—is 3 o'clock satisfactory?

Mr. SASSER. I think we have two Senators over here that still wish to speak. And how many on your side still wish to speak?

Mr. DOMENICI. We would be ready to go to amendments right after Senator GRAMM talks. There are many Senators who want to speak. I told them not to come to the floor. We do not want to use all the time speaking and no time on amendments.

Mr. SASSER. Right.

Mr. GRAMM. If the Senator will yield, if I could offer the amendment now I would simply speak on the amendment.

Mr. DOMENICI. We all know that.

Mr. GRAMM. I am eager for the Senator to know what we propose.

Mr. SASSER. Here is what I would suggest. I earlier suggested to my friend from New Mexico that perhaps we could set a time of 2:30 for moving to amendments. I think now we can undo that, because we have too many Senators on the floor wishing to speak—but I would suggest that—may I inquire of the Senator from North Dakota how long he might wish to speak?

Mr. CONRAD. Fifteen minutes would be satisfactory.

Mr. SASSER. The Senator from California has been on the floor waiting to speak for some time. May I inquire how long she might wish to speak?

Mrs. BOXER. About 15 minutes.

Mr. SASSER. So I would suggest to my friend from New Mexico that we would be in a position then just given a little latitude we would be in a position then, just given a little latitude, to go to amendments say by no later than 3:30.

Mr. DOMENICI. That is better than not knowing. Let me ask a question.

Mr. SASSER. I say that in order to give the Senator's time on his side.

Mr. DOMENICI. Is the Senator ready to go with the so-called Harkin amendment so we would know?

Mr. SASSER. At the appropriate time we would be ready to go, and I assume it would be the Harkin amendment.

Mr. DOMENICI. Then I would suggest, unless there is no agreement on secondary amendments or second-degree amendments which we propose, that you get your amendments and we get out amendments. Like Senator HARKIN, he will get his amendment with no second-degree amendment. If that could be adopted, then our first amendment would be a Nickles-Shelby amendment on the Btu tax.

Madam President, I assume I have the floor, and I am going to yield it right quick to the Senator.

Mr. SASSER. Would the distinguished ranking member let me counsel for just a moment?

Mr. DOMENICI. Yes.

Mr. SASSER. I am advised—and we were not agreeing—I am advised I am not in a position to agree on any second-degree amendment until I can take this up with the majority leader. It was my understanding earlier we were going to discuss this with the leadership on both sides.

Mr. DOMENICI. Sure.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if out of Senator GRAMM's 20 minutes he could give me 3 minutes and he will have 17, if that is agreeable.

Mr. GRAMM. I say to the Senator no time limit is set. Since we have twice as much time as we would have if everybody on the floor spoke, may I suggest the Senator yield to me 23 minutes and I will yield the Senator back 3.

Mr. DOMENICI. I will yield 23 minutes to Senator GRAMM at this point, and I am glad to do that.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I yield 3 minutes to the Senator from New Mexico.

Mr. DOMENICI. Madam President, I am very fearful some listening this afternoon, listening to my friend, the chairman, Chairman SASSER, would really buy the argument that we should not be talking about the shortcomings of the President's plan, because we have not offered our plan or our amendments. We are being precluded from offering amendments, because we are talking. But let me assure the American people and Senators that before we have a chance to win a plan that we have, whatever it is, the truth has to be known about the Clinton plan, and frankly the truth is not known about the Clinton plan by the American people.

Let me just suggest that there is probably not 10 percent of the American people who would believe that the way to prosperity is to tax the American people more. I will bet if we ask anybody do you think we are going to create jobs and have a vibrant America by putting on more taxes, I think some of them would think you are so whacky; they would probably kick you in the shins.

This plan does this. Americans are going to pay $295 billion dollars in new taxes and hold on to your wallets, because part of them are retroactive to January 1 this year. And you know what you are getting for it, I say to Americans? You are getting the net tremendous total of $7 billion in cuts, in domestic programs of all types.

Who would believe in supporting this plan? And they are saying we want a plan. But who would believe that the American people are supporting a plan for $295 billion, including more Government and more taxes, for the total of $7 billion in cuts in domestic programs over 5 years? If that is a plan for growth, a plan to get us out of whatever we are in, then I have never seen a plan.

That is an invitation to continued recession and slow growth, because business cannot create jobs with this kind of new burden.

I thank my friend from Texas for yielding.

Mr. GRAMM. I thank my dear colleague from New Mexico.

Madam President, our dear colleague from Tennessee said, "Where are the Republican proposals?"

Well, in committee, we offered 34 different amendments. We debated each one of them. They dealt with a myriad of issues—from health care to Social Security taxes—where we were trying to sheer off some of the add-on spending in the President's program and not tax Social Security recipients, where we were trying to reform health care.

But in 34 amendments on a myriad of subjects, how many Democrats in committee do you think cast a single vote for any one of these ideas? Not one. That is how interested our colleagues on the left are in Republican ideas. That is how interested the President is in our input.

Madam President, the Bible says, "You shall know the truth and the truth will make you free." The problem is, it does not tell you how you find out about the truth.

And I must say to my colleagues and to the American people who are watching—and my guess is, with the NCAA on television, most people are watching basketball—but let me say this: In my 14 years in Congress, I have engaged in many debates and a lot of debates about budgets. But I have never, ever seen a debate where there was such a gulf between the rhetoric of the debate and the reality of the proposal.

I remember vividly, when the President gave the State of the Union Address, I stood and applauded 14 times. I led the applause on several occasions. It was a great speech. I could have given 90 percent of the speech.

The problem is, there was as much of a gulf between the rhetoric of that speech and the reality of the budget that we are actually debating here as there is between the President's promise to cut middle-class taxes and his proposal now to raise those taxes.

What the President has basically done—and I have taken this from Newsweek magazine—is basically given us a plan that is mostly taxes. The second largest element in it is spending; and a tiny little element of it has something the American people are adamant about and that is cuts in spending.

Let me start by defining the program in, I think, the fairest possible way to do it. What happens if everything the President says works? What happens if we adopt the program exactly as it is written? What happens if every cut is made? What happens if the economy responds exactly as the President says, and not by anybody else's estimate but by estimates of the Congressional Budget Office, which the President has set up as judge and jury?

Madam President, let me first start by going over what the Clinton plan actually does. It is a 5-year plan. And I want to use what I call the Dicky Flatt baseline, which is what happens relative to what would happen if we did nothing.

In other words, starting right here at ground level zero, what happens relative to today?

Well, what happens, I think, is pretty revealing about where we are going. Relative to today, over the next 5 years, if everything in the Clinton budget is adopted and the whole world works out perfectly as he says it will, revenues, taxes—money taken out of the pockets of the working men and women of America—go up $1.332 trillion.

Second, nondefense spending, spending on everything but defense, goes up by $840 billion; and defense goes down by $154 billion.

In other words, if we do everything the President asks us to do, if everything works out exactly as he promises, what do we get? More taxes, $1.3 trillion; more Government, $840 billion; less defense, $154 billion.

Now, what do we get in terms of the priorities of the Nation?

I want to talk about something that I call the Clinton vision. I am not talking about the vision when we hear those beautiful words in those great speeches. I am talking about the vision of the numbers. I am talking about the vision embodied in the budget. Because a budget is a plan about a future, in this case the future is that of America.

It defines the kind of relationship we are going to have between our Government and our people.

If all of Bill Clinton's budget is adopted, let me compare it with two things I think people will understand. First of all, I want to talk about nondefense spending, social spending, as compared to when Lyndon Johnson was President. At the peak of the Great Society, when Lyndon Johnson was President, social spending, as a share of the overall economy, was 10 percent. At the peak of the Great Society, Government spending on nondefense social programs took 10 cents out of every dollar earned by every American.

If President Clinton's plan is adopted and implemented and everything goes exactly as he says it will, exactly as he wants it to, social spending, nondefense spending, will take 19.3 cents out of every dollar of income earned by every American. In other words, the Clinton vision in social spending, nondefense spending, is twice what it was at the peak of the Johnson Great Society Program.

Let me talk about defense. In Jimmy Carter's last defense budget, defense, as a percentage of the economy, was 6.1 percent. Defense was taking 6 cents out of every dollar of income generated by the American economy.

If the Clinton budget is adopted, defense will be taking 3.2 percent out of every dollar of income of the American public. In short, the Clinton vision is twice as much social spending as a percentage of the national economy as we had at the peak of the Great Society and half as much defense spending as we had when Jimmy Carter was President.

Madam President, what do we get for all that? What do we have when we get through?

Well, in the way we normally keep the numbers, what the Clinton budget does is it raises taxes by $295 billion relative to all the taxes that are already growing. It has user fees of $18 billion. So, in terms of this overall Clinton plan, how much of it is taxes?

Well, when we were listening in the campaign, then-Governor Clinton said, "$3 in spending cuts for every dollar of taxes. That is what I will deliver."

Then, when Congressman Panetta was before the Senate for confirmation and Senator Bentsen was before the Senate, they said $2 in spending cuts for every dollar of taxes. That is what they promised.

Then when President Clinton delivered the State of the Union Address, he said $1 in spending cuts for every dollar of taxes.

Now, when you look at what would be spent and what would be taxes if we adopt President Clinton's plan, what did the final number turn out to be? It turns out that 79 percent of the deficit reduction in the Clinton plan comes from taxes and fees, 19 percent of it comes from defense cuts, and 2 percent of it comes from reducing nondefense spending.

In other words, we went in the campaign from $3 in spending cuts for every dollar of taxes, in the confirmation, $2, in the State of the Union, $1.

We now have $3.86 of taxes and fees for every dollar of spending cuts. And those spending cuts are basically all in defense.

That is the CBO assessment of the Clinton plan.

What do we get for all that? Other than double LBJ's social spending and half of President Carter's defense spending, what does it produce in deficit reduction? And this is where the most startling result of all occurs.

When President Reagan was in office in his first term, this yellow part on my chart shows us what his plan promised in deficit reduction. And then the yellow plus the red shows us the actual. As you can see in dealing with politicians, Democrats or Republicans, after all is said and done, more is said than done. Reagan's second term, promised and actual. President Bush's term, promised and actual.

The Clinton plan, if adopted, if enforced, and if everything works exactly as President Clinton proposes, promises a larger deficit in 4 years than any other President in American history has ever produced, including the President that President Clinton defeated, running against him for having the biggest deficits in American history, and this is just the promise. What is the reality going to be?

Let me talk very briefly about the reality. If the American people agree on anything it is cut spending first, before you raise taxes. Or cut spending before you increase any new spending.

On the floor of the Senate in the next 2 weeks, we are going to raise the deficit by $21.5 billion. We are going to pass an emergency spending bill called a stimulus package, and our colleagues and President Clinton have created a new double speak. They call this spending investment. We also are going to spend $5.5 billion on unemployment compensation extension. So we are going to increase brand new spending, $21.5 billion in the next 2 weeks.

Madam President, how long do you think it will be—if we adopt the Clinton plan, and if everything happens the President says will happen—how long do you think it will be before we cut spending by that much? It will not be until the end of 1997 that, in spending cuts on a cumulative basis, we make up for the new spending we are going to approve in the next 2 weeks. It will be the end of 1997 before cumulatively we have cut defense enough to make up for the new social spending that we are going to undertake in the next 2 weeks. And the story gets worse.

Over 80 percent of all the savings in this budget are promises of spending control we are going to employ in the sweet by-and-by. Almost all of the spending control measures in the Clinton plan are in 1995, 1996, 1997, and 1998, where we say we are going to control the growth of spending.

Never has Congress lived up to those commitments except when we had binding constraints that set specific figures as spending caps.

Madam President, our dear colleague from Tennessee forgot, when he said we had no plan to offer, that in committee I proposed having it the law of the land that these spending levels in his budget be established as spending ceilings so we could not spend more money than that, and we would have to live up to the savings commitment. Our dear colleague from Tennessee opposed that, and every Democrat on the Budget Committee voted against it, which suggests to me they do not intend to live up to those promised savings. They intend to get the $295 billion in net taxes; they intend to cut defense dramatically. But my guess is, come 1996 and 1997, when all these special-interest groups are looking over our left shoulder, sending letters back home telling people whether we care about the old, the poor, the sick, the tired, the bicycle rider—the list goes on and on—my guess is those promises are going to be forgotten and we are going to spend that money.

Let me tell you why I am disturbed about this budget. First of all, I am disturbed because it is not going to work. We are going to end up with a great big deficit. In fact, I would like to predict right here that in the midst of the 1996 campaign, the deficit will be bigger than it is today. I want to make that prediction right here on the floor of the Senate.

Second, this program is not going to work. There is no way you can raise taxes by $295 billion and cut nondefense by $7 billion—you are promising to do that 4 years from now, and you have the figure that small because you are promising to lay off all these Government employees—do all these things that have been promised before and never done before. But basically, the problem is, even if we do everything the President says, we are going to have a recession. You cannot raise marginal tax rates to 41 percent; you cannot tax every small business and family farm at that rate; you cannot seize all of this income from all these working people and have jobs created.

The Clinton economic plan assumes that nobody responds to these taxes. It assumes that the 1.4 million small businesses that will have their marginal tax rate go up from 31 to 39 percent are not going to respond to it at all. They are going to invest exactly the same amount; they are going to hire exactly the same number of people. Who really believes that? The American people are going to respond to these higher taxes. That is clear.

The second thing that worries me about this is nobody ever voted for this plan. What candidate for President, running in 1992, said: If you elect me, I will raise taxes by $295 billion and I will cut nondefense spending by $7 billion? Nobody said that.

Who, running for President in 1992, said: If you elect me, I will tax up to 85 percent of the Social Security benefits of individuals who have W-2 form income of $18,000 a year? Who said that? Nobody.

Who campaigned for President saying: I will tax every working family, and I will fund the largest spending increase in American history? Who said that? Nobody. Who voted for that? Nobody.

When Bill Clinton was asked in the first debate about taxes, he was asked the following question. Ann Compton said:

> Governor Clinton, can you lock in a level tonight where middle-income families can be guaranteed a tax cut; or, at the very least, at what income level they can be guaranteed no tax increase?

Governor Clinton:

> My plan triggers in at gross income, family income of $200,000 a year and more. And we want to give modest middle-class tax relief to restore some fairness, especially to middle-class people with families with incomes of under $60,000 a year.

Madam President, if the President that night, in that first debate, had said: Well, I am going to tax every family in America on an energy tax that by my figures will be $320 a year, and most outside groups are going to estimate $500 a year, and I am going to tax every Social Security recipient with an income of $18,000 or more if they own their own home, because I am going to count what they would have to pay in rent as income, he would not have been elected President.

Let me give you the second one. When the Bush campaign ran an ad saying that the Clinton plan would require that people be taxed at least at income levels of $36,600, let me tell you what Candidate Clinton said. He said:

> It is blatantly false. It is a disgrace to the American people that the President of the United States would make a claim that is so baseless, that is so without foundation, so shameless in its attempt to get votes under false pretenses.

And yet here, today, we are debating taxes on Social Security recipients who earn $18,000 a year. We are debating energy taxes on every family in America. We are debating raising taxes on family businesses and family farms by over 30 percent in terms of the marginal tax rate.

Who voted for that program? Nobody voted for it. I am sure some of our colleagues, after Ronald Reagan was elected and we adopted his programs, felt bad about it. They did not think it was a good idea. They were against it. They were against spending cuts; they were against building up defense; they were against tax cuts. But at least Ronald Reagan ran for office on that platform. Everybody alive in 1980 who was not hiding under a rock somewhere heard Ronald Reagan say: Elect me and I will cut domestic spending, raise defense, and cut taxes.

So our colleagues on the left may not have liked it, but they were not surprised by it. What is so frustrating to me——

Mr. CONRAD. Will the Senator yield?

Mr. GRAMM. I will not yield because I have a limited amount of time.

Mr. CONRAD. Will the Senator yield on my time?

Mr. GRAMM. What is so frustrating to me is that no one was elected on the platform of this program, nor could they have been elected on this platform. No one who told the American people that this is what they had in mind could have been elected. So there is no mandate to do this. No one ever voted for it. No one ever ran for office on the basis of it. So we are implementing a plan that nobody voted for and nobody thought was a good idea.

What are the alternatives? First of all, we are going to offer an amendment, and the first Republican amendment will say drop this Btu tax and drop a corresponding amount of new spending add-ons in the Clinton budget; do not spend on new programs and do not impose this tax.

The second amendment will be: Drop the Social Security tax and drop the corresponding increases in domestic spending. Then we will have an amendment that shows that by not adding any of the new programs that President Clinton wants to fund unless there is a dollar for dollar offset in other spending programs, that you can delete new taxes—the Social Security taxes, the energy taxes, and the income taxes—because every one of those new taxes is going to fund more spending. That is what the debate is about, and I thank the Chair for her indulgence.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, I yield 15 minutes to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Madam President, I thank my distinguished budget chairman. I certainly commend the chairman of the Budget Committee for his patience, for his intelligence, for his grasp of the issues, for his very clear explanation of where this Clinton economic plan is going to take this country, and, Madam President, it is going to take this country in the correct direction, in a good direction, in the right direction.

It is certainly my pleasure to be a member of the Senate Budget Committee, having served in the House of Representatives in that capacity, and to be able to speak for the first time in my career in strong support of the President's budget. This one was made even better by the Senate Budget Committee. The deficit reduction is even greater. Madam President, there is more deficit reduction in this package than ever before under any other President, $502 billion over 5 years, the biggest cuts in history. So let us set the record straight on that.

Let us set the record straight on a couple of other things. When the Republicans took over the Presidency in 1980, the national debt was $900 billion, and when they handed over the reins of Government to President Bill Clinton, that national debt was more than $4 trillion. Yet we see in this very Chamber today, on the most beautiful charts, figures that would lead you to believe that this budget will do nothing but make matters worse.

Madam President, it was Alan Greenspan who said it; that this budget is credible when it comes to deficit reduction, and Alan Greenspan, the head of the Federal Reserve, was not appointed by a Democrat but was appointed by Ronald Reagan and reappointed by George Bush. We see what is happening with interest rates in this Nation. We have seen them go down a point already, putting more money into the pockets of the American people because of this plan, no matter how much it is derided by those on the other side of the aisle.

When the Republicans took over the Presidency, I will never forget this as long as I live, Madam President, when Ronald Reagan looked at Jimmy Carter and said, "You have a $50 billion deficit. You ought to be ashamed of yourself," and the Republicans said, "We will balance the budget in 1 year," and then it was 2 years and then it was 3 years, and when they handed over the reins of Government to Bill Clinton, this budget deficit was about $300 billion, from $50 billion to $300 billion; from $900 billion to $4 trillion on the national debt. And my colleagues and my friends on the other side of the aisle stand up and deride the first plan that would really address this deficit without the smoke and mirrors that we have seen before and the rosy scenarios and everything else.

Madam President, last night I was fortunate enough to be sitting where you are when this budget debate opened up. The best that we Democrats had to offer, our chairman from Tennessee, presented this budget plan, and the best that the Republicans had to offer, the very articulate and able and intelligent Senator from New Mexico [Mr. DOMENICI] had a very good debate on this budget.

I listened very carefully. I watched my chairman lay out the economic strategy that our President has put forward to this Nation. Then I watched and heard the leaders from the Republican side tear down this budget, tear

down its deficit numbers, tear down its tax numbers, tear down its investment strategy, tear down its deficit reduction, and we have seen Senator GRAMM, of Texas, today continue to do that.

It is easy to tear things down. It is easy to do that. I want to know where is the Republican budget? We have not seen it. In the committee, all we saw were a series of amendments that were so transparent, it was obvious that they were making us look at some very tough votes; that, if these amendments had been adopted, it would have torn apart the entire strategy, because what our President has done for the first time is to put together a very carefully crafted plan that gives you just enough deficit reduction, just enough investment. It is very carefully done.

Yes, there are taxes. There are taxes on the wealthiest among us, the top 1 percent who saw their incomes go up 115 percent since 1977. I do not cry bitter tears for our fellow Americans who have been so successful, and I will tell you that they are willing to pay their fair share. Yet when you listen to my colleagues on the other side, they want more spending on defense, even after the cold war; they want no taxes on the rich, even though we have seen these incomes go up to astronomical levels. They want to only cut, Madam President, the things that our people need, education, health care, cleaning up this environment, transportation, science and technology funding, all the things on the domestic side of the budget. That would destroy America, because we will not be able to compete if our budget does not reflect the needs of a country like America in a global marketplace.

So I say to my fellow Republicans: Where is your budget? Show it to us. I want to see it. Do not give me amendments that do something here and there, because that is not constructive. That is going to lead us back to gridlock.

President Clinton's budget will give us a healthier and more secure and competitive America, one that has a leaner, meaner defense. That is right. We always have to be the strongest military in the world, and under Bill Clinton's leadership we will be. And we will have an America in which children receive their immunizations. Do you know that a baby born in Cuba has a better chance of surviving than a baby born in Washington, DC? That is an outrage. It is a shame upon us, and President Clinton understands that. Those kids are our hope. It is not just the right thing to do, it is the smart thing to do because when they get those immunizations, when they get the Head Start, when they get a quality education, when they are able to go to college through that wonderful new program our President has presented us with, then they will be productive. We as a nation will be productive. We will win this new war we are in, which is called the economic war. We won the cold war. Now we must win the economic war.

We will have an America in which child care is widely available so parents can go to work without fear, a family-friendly Government, if you will; an America in which there are more police officers on the beat, community policing so our neighbors can feel safe; an America that retrains our workers because, as President Clinton has told us many times, the average American will change jobs seven and eight times.

It is a new economic world out there and we have to get our people ready for it, Madam President. We will have research and development on the civilian side of the budget so we can keep up with our competitors, and budget deficits that are no longer raging out of control.

It really is amazing to me again, Madam President, how our Republican friends, who are no longer in the Senate Chamber at this moment, can talk about the need for greater deficit reduction and greater deficit reduction when they had their chance. They brought this country almost to its knees. President Clinton is trying to rescue this country from economic ruin, and his plan deserves our support. He understands how it all fits together. He has given us a plan that looks at the short-range stimulus so we make sure we do not have a triple dip recession, Madam President, but that we in fact are jump-started out of this recession.

I come from a State that is falling behind—California. We have been thrown into a morass. We have lost many jobs. We are in an economic transition. This plan is crucial to the State of California, and I want to make a point to my colleagues: California's recovery is crucial to the sustained recovery of this American economy. We need these investments. And, yes, I am tired of hearing my Republican colleagues deride the word "investment."

In a former life, I was a stockbroker, Madam President. Let me tell you what a good investment is. It is one which yields dividends. You put your money into something and it pays dividends. You give a child a $1.14 vaccination and it pays dividends when he or she does not get the measles, so you avoid having to spend almost $1 million to rescue that child's life later. You put $1 into Head Start and, Madam President, you save $3 because that child is off and running and becomes productive.

We know we need an economic conversion plan. This President has it in his budget. It is crucial for us. I am one who happens to believe we are going to be more prosperous than ever when we make this conversion, because when you produce military weapons, thank goodness, we do not use them. But when you invest in things we need, in housing, in schools, in health care, you create many more jobs, Madam President. Your work force is trained and prepared and healthy, and your children are prepared and trained.

So we need this stimulus. We need this budget. I am pleased that the President has released the conversion funds on which we voted last year. It all fits into the puzzle.

I say again no package is perfect. If the Senator from Illinois, who is presiding now, was the President and wrote the package, it might look a little different. If the Budget Committee chairman started this project from start, the budget might look a little different. If this Senator or my colleague from California, the senior Senator from the State, wrote the budget, it might look a little different.

But there is one President, Madam President. He ran on a very clear platform. He said to the American people, I am worried about jobs. I want to create jobs. I want a short-term economic recovery and a long-term deficit-reduction strategy. He said yes, I am going to tax the wealthiest among us. He laid it out there and the American people stand by him. I think it is important that we stand by him and give this a chance.

Madam President, in closing let me say this. The National Conference of Republican Mayors endorsed this plan in its entirety. Let me repeat. The National Conference of Republican Mayors endorsed this plan in its entirety.

Let us get beyond the partisan bickering. Let us not see a party-line vote on this budget. Let us look at the American people, Republicans and Democrats alike, men and women alike, and let us say to this Nation we in the Senate are ready to join with our colleagues in the House of Representatives to move this very important package along and give the President a chance to have his plan acted on, and then we will all be held accountable.

Madam President, I look forward to voting on this budget.

I yield back the remainder of my time to the Senator from Tennessee.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, may I inquire of the Senator from North Dakota how much time he wishes?

Mr. CONRAD. I had indicated that I could use 15 minutes. I could use more than that if the chairman has it.

Mr. SASSER. I was hoping the Senator might be able to use less than that because we have Senator MURRAY on the floor, and also the distinguished Senator from South Carolina. Why not yield 10 minutes to my friend from North Dakota and see how we get along. He is known for his conciseness and ability to say much in a few words.

Mr. CONRAD. I thank the Senator from North Dakota.

Mr. DOMENICI. Will the Senator yield so I might make an inquiry, without losing his right to the floor.

Mr. CONRAD. I am happy to yield.

Mr. DOMENICI. Madam President, I am very concerned again here that there are a lot of amendments on both sides, and I would very much like to get an agreement that an amendment is going to be called up at a time certain on that side and then maybe we would say it would be followed by one on our side at a time certain. Can the Senator discuss that with me a bit?

Mr. SASSER. I can. Let me say to my friend from New Mexico, a moment ago or some time ago I said we were shooting for 3:30 to begin calling up amendments. I am still shooting for that time. If the Senator will give me a little flexibility, 5 or 10 minutes on each side, it would be helpful. But I am still shooting for 3:30, and I think we will make it.

Mr. DOMENICI. Mr. President, could we have an understanding maybe that would permit us to talk off the floor and see if we could get a unanimous consent later. We would like to offer the Nickles Btu tax amendment following disposition of the Harkin amendment. We very much would like to do that as soon as possible, but obviously we understand that the Senator from Tennessee has the right to go first. Can we be looking at that with our leadership in terms of perhaps agreeing?

Mr. SASSER. We can, I say to my friend from New Mexico. We can discuss that with the leadership, and I am hopeful we can work out that accommodation.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. I thank the chairman as well.

Madam President, I rise as a member of the Senate Budget Committee in support of the budget resolution.

For the first time in the 7 years that I have been a Member of the Senate we have before us a plan to reduce the Federal budget deficit based on honest numbers—not phony projections of the future, not a wish list, not some idea that is cooked up in some back room and brought before us and we are told that it will reduce the deficit by some magical formula. No, Madam President, we have been presented with a plan to reduce the Federal budget deficit $500 billion over the next 5 years based on honest projections, honest numbers, honest assumptions. That is a remarkable breakthrough.

Madam President, just moments ago we were treated to generous portions of Texas hokum. We heard from the Senator from Texas really a remarkable rewrite of American fiscal history. Madam President, we heard that Ronald Reagan ran on a program that no one could be confused about. We were told that Ronald Reagan ran on a program to cut taxes, to increase defense, that no living American could possibly not have known what Ronald Reagan intended to do.

What the Senator from Texas left out was that Ronald Reagan never told the American people he intended to increase the Federal deficit fourfold. Ronald Reagan ran on a program of cutting taxes, of increasing defense, but what the Senator from Texas left out was that Ronald Reagan also told the American people he would eliminate the Federal deficit. That was the full story.

The Senator from Texas left out that last element, left it out for very good reason. Because when the Senator from Texas talks about a program that might fail and predicts that this program will fail he comes to us as an expert on programs that failed. The Senator from Texas was the author of a program that failed. The Senator from Texas was the author of a program that failed, and failed completely, and for him to stand on the floor as an expert on deficit reduction is so farcical that it must be answered.

Madam President, the Senator from Texas authored a plan that said we are going to eliminate the deficit in 5 years. We have a plan. We have a magic formula. And if only you pass it, we will reduce the Federal budget deficit in 5 years.

That plan was passed in 1985, Madam President. Do you know what happened? The deficit was not reduced. The deficit was certainly not eliminated. In fact, the Federal budget deficit exploded. When the Senator from Texas comes before us and says that somehow he has a better plan, Madam President, I am a little bit suspicious.

Here is the record. Here is the record of what happened when that crowd was in control. This is the Federal debt growth that has happened from 1980 through 1997. Madam President, we will recall that in 1980 Ronald Reagan took over; the national debt was $900 billion. Today, the national debt is $4 trillion. And we are headed for a national debt of $5.5 trillion in the next 5 years, unless we change course.

Madam President, just to review the record, the Senator from Texas was the author of a plan back right here, 1985, that said you pass that plan, the deficit is going to be eliminated in 5 years. Instead, the deficits and the debt skyrocketed.

So for the Senator from Texas to come to this floor and say to the American people that he is some expert on plans that might work, I suggest he is rewriting history. Some of us recall very well the plan of the Senator from Texas was a disastrous failure in terms of deficit reduction.

Madam President, we have to act. Bill Clinton was elected President on a program of change. Bill Clinton was elected President with a promise that he would move this country in a different direction.

Madam President, he has presented us with a budget blueprint to do precisely that. This is the debt growth. We talked about that. What are the other things that tell us we have to change?

This chart looks at the growth of the debt in a little different way. It is not in dollar terms. It is a percentage of our gross domestic product. This chart looks at the last 50 years. What one sees is that after World War II, we had a level of debt in comparison to our gross domestic product of 113 percent. In every year, for 40 years, the debt in relationship to the size of our economy was reduced, from Democratic administrations, to Republican administrations, back to Democratic administrations. This country reduced its indebtedness in comparison to the size of our economy.

Then we had the election of Ronald Reagan. The debt as a percentage of our gross domestic product started growing. Now it has exploded.

That is the reason, Madam President, we must act. Not only have we taken on enormous debt in terms of our national debt but this country has also become an international debtor.

This chart shows the past history, from 1977 through 1991. Our position in the world.

Madam President, we have gone from being the world's largest creditor nation; more countries owed us more money than any other country on the face of the Earth. That line was crossed in 1986, and today we are the largest debtor nation in the world. America owes more money than any other country in the world; an incredible turnabout as a result of a failed economic policy, and a failed economic plan.

For the architects of that plan to stand on this floor and tell the American people that somehow this President who tells us we have to change direction is moving in a way that makes no sense, that ought to be measured against the test of history. What did they do when they were in charge? What did they do when they were in a position to set a course for the economic future of this country?

The result of these failed policies was that economic growth collapsed in this country. We show growth in the fifties, growth in the sixties, growth in the seventies, growth in the eighties. Look what happened in the 1990's. Economic growth collapsed in this country. As a result, average annual job growth also collapsed in this country. In the fifties we had modest job growth, healthy job growth in the sixties, seventies, and eighties; the 1990's, job growth absolutely evaporated in this economy.

This perhaps is the most important chart of all, because we have heard much from the other side that we are

spending too much, and we have heard over and over in debate that the United States is spending about 24 percent of its gross domestic product, and historically we have spent about 20 percent of our gross domestic product. The other side says there is the proof that this is tax and spend. There is the proof that this country is spending too much. There is the proof that what we have is a spending problem, not a revenue problem.

Madam President, I think it is important to analyze precisely where the spending increases have occurred. As this chart shows, if we look at the last 30 years of economic history, it is absolutely true that spending has gone up from 19.2 percent of our gross domestic product, to 23.5 percent of our gross domestic product in 1992. Spending has clearly gone up as a percentage of our gross domestic product.

Here is what has happened on the other side of the ledger. Revenue. Revenue 30 years ago was 18 percent of our gross domestic product. Today it is 18.6 percent. We can see the substantial gap that exists here between revenue and spending.

But let us look where the increases in spending have occurred because I think this is very instructive. Thirty years ago Medicaid did not even show up on the chart. Medicaid was a brand new program. There was virtually no spending. Thirty years later, that is 1.3 percent of gross domestic product. Medicare, 30 years ago was zero. There was not a Medicare Program 30 years ago. Today that is over 2 percent of gross domestic product.

Thirty years ago, Social Security was about 2½ percent of gross domestic product. Today it is 4.9 percent of gross domestic product. Perhaps the most interesting is interest on the debt because it is skyrocketing, from just over 1 percent of gross domestic product to 3.4 percent of gross domestic product today. All other Federal spending has actually declined in comparison to the size of our economy, declined from 15 percent of gross domestic product to 12 percent of gross domestic product.

So when we hear people say, well, it is clearly spending, it is absolutely correct that spending has gone up. But it has gone up in just four areas: Medicaid, Medicare, Social Security, and interest on the debt.

Madam President, that is the reason the budget before us has put us in a position in which we simply must cut spending and raise taxes in order to make progress.

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

Mr. CONRAD. I ask the chairman for 1 additional minute.

Mr. SASSER. I yield the distinguished Senator from North Dakota an additional minute.

Mr. CONRAD. Madam President, let me just conclude by saying that the budget before us does reduce the Federal budget deficit $500 billion over the next 5 years.

This chart, I think, tells a story that we must pay careful attention to. This chart shows the cost of inaction.

Madam President, if we fail to act on this budget resolution, we will face these gridlock deficits that grow and grow and grow. We see no end in sight. If, instead, we enact the Clinton plan, we will see a sharp reduction in those gridlock deficits.

No, it does not bring us to a balanced budget but, Madam President, it makes progress. Unless we see a plan on the other side that actually does a better job, then we ought to enact the Clinton plan, because the Clinton plan reduces those budget deficits, devotes every penny of tax increase to deficit reduction.

Madam President, it also changes the priorities of the country. It says, yes, we must cut spending, but there are certain areas that deserve more money, such as educating our children, training our workers, investing in America, rebuilding our infrastructure, and research for the future.

Madam President, those are not only the priorities of President Clinton, they are the priorities of the people of this country. That is the reason I am proud to stand in support of this budget resolution.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH] is recognized.

Mr. ROTH. Madam President, the No. 1 challenge facing our Nation——

Mr. SASSER. Madam President, may I inquire of the distinguished Senator from Delaware how long he wishes to speak?

Mr. ROTH. I yield myself 15 minutes.

Mr. SASSER. I thank the Senator.

Mr. DOMENICI. Madam President, let me say I welcome the request, and I yield 15 minutes to Senator ROTH.

Mr. MURKOWSKI. Madam President, if I may make an inquiry. Are we on a time schedule anticipating amendments to come before the body?

Mr. SASSER. I say to the distinguished Senator from Alaska that we have plenty of time, in one sense. We probably have about, at this juncture, 42 hours left on this bill. But we have not heard a single amendment. An amendment has not been introduced yet.

The Senator from New Mexico is pushing, as he should, to get amendments up. We continue to have Senators coming to the floor wanting to speak on this budget resolution. That is as it should be. It is a very important piece of legislation. But if we are going to get to amendments, we are going to have to try to cut this off at some juncture. The Senator from New Mexico and I had hoped to be able to begin amendments by 3:30 or certainly 3:45. But why do I not counsel with my friend from New Mexico and see where we are?

Mr. DOMENICI. Madam President, let me say to the Senator from Alaska [Mr. MURKOWSKI] we are trying hard to move ahead with an amendment that is very dear to the Senator's heart and try to get it disposed of today. To the extent that we cannot make such an arrangement, I will be back to the Senator, or he can wait here a few minutes, and we will decide whether we are going to go on indefinitely and not get the Btu amendment up today. Then the Senator can speak about it.

Mr. MURKOWSKI. It is my intention to speak briefly at a later time, following the sequence that the Chair would order, pending the introduction of the amendment. I have been here for some time. I want to make sure that I have an opportunity to speak before the amendment. I am generally assured of that.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Madam President, the No. 1 challenge facing our Nation is the creation of good secure jobs for the American people. Soon after the President Clinton announced his budget package, I expressed my concern that the large tax increases in his plan could hurt the economy rather than help it. I expressed my concern that the President's package failed to reduce Federal spending. I also stated my intention to return to the Senate with an alternative plan which would meet the President's challenge to reduce the deficit.

The American people are demanding that the Federal Government cut spending first. Unfortunately, the President's plan fails to cut spending until 1996. That's why I have brought forth this alternative. According to the Congressional Budget Office, which the President stated he would use in estimating the impact of his budget plan, the President's package would increase spending in 1993, 1994, and 1995. The first real spending cuts do not take place until 1996.

As CBO numbers make clear, the President would raise almost $5 in new taxes for every dollar in spending reduction over the next 5 years. This is vastly different from the $2 in spending cuts for every dollar in tax increase promoted by Budget Director Panetta during his confirmation hearing.

As we begin consideration of the budget resolution, I would like to inform my colleagues of this proposal, which reduces the Federal deficit by $558 billion without asking the American taxpayer to pay higher taxes. I know President Clinton is sincere in his desire to cut the Federal deficit, but I am convinced raising taxes will only lead to higher spending. Unfortu-

nately, the increased taxes and spending that President Clinton suggests does not promote long-term U.S. competitiveness and jobs.

Madam President, my plan meets the challenge posed by President Clinton to drastically reduce the Federal budget deficit with specific spending cuts. This plan demonstrates that it is possible to achieve real, long-term deficit reduction without the tremendous tax increases contained in the President's plan. I am deeply concerned that the $266 billion in tax increases will lead to the loss of millions of jobs, just as the tax increases in the 1990 budget agreement did. I voted against the 1990 budget agreement advocated by President Bush because of my concern that increased taxes would deepen the recession and lead to more Government spending. Unfortunately, this turned out to be true.

Raising taxes on the American people now, just as we are seeing some signs of improvement in the economy is, at best, economically risky and at worst, economically disastrous.

This proposal has more than $263 billion in cuts beyond those proposed by the President. These cuts, when added to the President's, would reduce the Federal deficit by $558 billion. In addition, it is important to point out that this plan would not affect Social Security. It is also important to point out that many of the reductions included in the President's budget are cuts that I called for in 1991.

For example, the President's proposed Medicare secondary payor reform and his reductions in national defense and in the Federal work force are similar to proposals that I first recommended in 1991.

This budget, is comprised of nine components:

First, it would reduce the President's stimulus package by $12 billion. It is far from clear that more Federal spending is going to create the types of permanent, secure jobs that the American people are seeking and deserve.

Instead, a great portion of the President's stimulus package will not lead to new jobs, but simply the enlargement of Government. The President's package provides increases for programs which already received full funding in the regular appropriations process. While my alternative would provide funding for unemployment compensation and other high priority items, it would reduce the overall stimulus package by $12 billion.

Second, this budget reduces the additional spending in the President's investment package. While I agree with the President that certain high priority programs such as Head Start and worker retraining provide tremendous benefits to our Nation's well being, I must also ask whether we can really afford more than $145 billion in new spending above the increases already provided for inflation for such Federal projects as highway construction, rural development, and energy research.

For example, instead of increasing Federal research and development spending by more than $13 billion, as the President proposes, we should focus on making better use of the $75 billion we spend annually. This is three times what all other countries combined spend on research and development.

Third, this budget provides almost $60 billion in additional cuts in domestic discretionary programs beyond the President's budget.

Some of the extra cuts in my proposal include: additional reductions in executive and legislative branch personnel; canceling the superconducting super collider; eliminating highway demonstration projects; eliminating Federal mass transit subsidies; eliminating the Interstate Commerce Commission, and the Appalachian Regional Commission. Madam President, I am calling for a 20-percent cut in the Federal work force. These reductions, which would come from both the executive and legislative branches, would be achieved not by firing Federal workers, but through the process of attrition and limiting rehires over the next 5 years.

Fourth, this plan adopts many of the President's changes in domestic discretionary spending. This includes reductions in many projects and grants specifically earmarked by Congress which have failed to go through the competitive bidding process. In addition, I agree with the President that Federal agencies can be streamlined and significant administrative efficiencies can be achieved.

Fifth, this budget provides more than $70 billion in additional entitlement changes beyond the President's budget, without changes to Social Security, Federal, or military retiree pension benefits. This includes terminating certain agriculture subsidies for wool and mohair, as well as terminating export enhancement programs for our agricultural products. In addition, it calls for accelerating the elimination of State donation schemes in Medicaid, and the elimination of disproportionate Federal payments in the Medicare Program.

Sixth, the plan incorporates many of the President's reductions in mandatory spending, including difficult choices that the administration made with regard to health care and the civil service.

For instance, I support the proposal put forth by the administration to eliminate the lump sum retirement option for Federal employees.

Seventh, I would reduce foreign aid by $1.5 billion a year, for a savings of $7.5 billion over the next 5 years. Clearly, foreign aid should be directed to those areas which involve the security interests of the United States. By refocusing aid to those areas where direct interests are concerned, foreign aid can be reduced.

Eighth, this budget will reduce defense spending by $100 billion over the next 5 years. I have long maintained that the Defense Department must be right-sized for the post-cold-war era in order to maintain an effective military while achieving such savings. The savings of the level that I suggest are achievable if true reform is brought to the Pentagon, including such steps as cutting out inefficient management hierarchies, streamlining procurement practices, getting rid of the widespread duplication of equipment and organizations, and killing cold war weapons programs.

Ninth, I would adopt some of the increased user fees outlined in the President's budget.

Madam President, taken together, these changes will produce more than $558 billion in deficit reduction over the next 5 years without the tremendous tax increases proposed by President Clinton. The budget reductions outlined in this plan are far from easy—difficult choices were made. But if we are going to be serious about reducing the deficit, difficult decisions must be made.

This package represents the starting point for demonstrating that we can significantly reduce the deficit without large new tax increases which will stifle job growth.

Madam President, as we begin consideration of the budget resolution, I am anxious to work with my colleagues in the Senate to present a budget alternative that produces meaningful reductions in spending without the economically damaging tax increases that are included in the President's plan. I look forward to working with my colleagues to present a constructive alternative to the President's budget, which I believe will hurt, not help the economy.

Madam President, I yield back the remainder of my time.

Mr. SASSER. Madam President, might I inquire of the Senator from Washington how much time she will require?

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, if I could request 10 minutes.

Mr. SASSER. I am pleased to yield 10 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The distinguished Senator from Washington is recognized.

Mrs. MURRAY. Madam President, today I stand here on the floor of the U.S. Senate to be part of the debate of one of the most important budgets of our time. The passage of this budget will mark a turning point for our Nation.

Not so long ago, I sat in the gallery as a part of the audience, or at home in

front of my television set 2,300 miles away from here watching legislators debate budget resolutions. I know that the citizens of this country are listening intensely, the way I listened, to here how the decisions of legislators could affect my family's well-being.

Madam President, I vowed that if the people of the State of Washington would allow me to represent them in the U.S. Senate, I would not forget how it felt to be part of the audience, and I would always try to speak with simple common sense. I promised them I would not talk to them with the jargon of Washington, DC, but to my colleagues with the common logic of Washington State.

I stand here, Madam President, as a mother, who is raising two children, caring for disabled parents, going to work every day, and balancing my own checkbook. It is with that perspective that I approach the budget resolution.

We can disagree on the floor on this budget. That is how our system works. My family works in much the same way. First, we pay our bills. We meet our financial obligations. We pay our rent; we buy food and clothing. And we save something in case of emergency. Then, if we have any left over, we have to decide how to spend it. My children do not always agree with my husband and me on how our family income should be spent.

Like most American parents, we tend to think in the long term, and we spend accordingly. Otherwise, my house would have termites and a leaky roof, and would be full of toys and video games, ripped jeans, and music tapes. Frankly, that is the way our economy looks today: The infrastructure is badly in need of repair. We have misallocated. And our spending priorities are out of whack.

So, we can disagree in this Chamber, but certain principles should guide us in this important task. We should not obstruct. I would not tolerate that behavior from my children and the American people will not put up with it from us.

We have to reduce the deficit. We have to cut out wasteful programs that are no longer useful. Our spending must be oriented toward investments in our future. Above all, we must be honest with the American people.

The President's budget fulfills all these criteria. We are investing in programs that national commissions have recognized as exemplary for a decade. During the Reagan administration when these deficits were growing, I was teaching preschool and serving on our local school board. I know how important Head Start is. And, I know how important the Immunization Program is. We can immunize children today, or we can watch juvenile diseases run rampant throughout society tomorrow.

We must fully fund effective programs such as WIC. WIC provides food and nutrition education to low-income pregnant women, new mothers, and children under age 5. We can invest $1 on women in this program today or we can spend $2 to $4 in Medicaid on them tomorrow.

We must fully fund the Ryan White CARE Act. We can help bring about an end to the AIDS epidemic and ease the suffering of those with HIV disease today, or we can continue to watch large segments of population die away tomorrow.

We must invest in infrastructure, transportation, and high technology. Too many programs have been neglected or ignored for too long. Our roads and bridges are in serious disrepair. We can repair them and use them today, or we can stay the course, watch them collapse, and leave them for our children to rebuild tomorrow.

I know that this budget has some elements that will be tough on the people of the State of Washington. In the agricultural arena, there are things that will require Washington farmers to change the way things have been done in the past. The President has proposed eliminating specific directives for agricultural research. This is troubling because our aggressive research program has enabled our farmers to become the most productive and competitive in the world.

Likewise, for years, Northwest families have enjoyed consumer-friendly energy rates because of our proximity to the world's finest hydroelectric power system. The new energy taxes will translate into more pressure on family budgets and our vital industries throughout the Pacific Northwest.

We need to manage the inland waterways, salmon protection, agricultural programs, and energy conservation in a way that protects business and consumers, and preserves the quality of life in the Pacific Northwest.

I know my friends and neighbors understand the country is in trouble, and they know—because they have common sense—that we all must contribute to set this country on the right path. It is not just the President's job, it is not just Congress' job, it is not a Democrat or a Republican job, it is everyone's job. We have got to pull together—that is our mandate from the American people in the last election. The President campaigned on cutting the deficit, on investing in people, on making those who got rich during the Reagan years contribute something back to the country. People across this country, people in my State, heard and understood that message.

I believe this is a budget which straightens out our priorities and can get our Nation moving again. During the 1980's, I saw my neighbors and friends grow cynical and disappointed. We watched our legislators bogged down by gridlock and inertia. We watched as Congress failed to deal with issues facing real people, and speak a language real people do not understand. For 12 years, this country has been overspending, living way beyond our means, and not investing in people, in infrastructure, in our future.

Madam President, I am very patient on the Budget Committee. I have listened to the testimony of all the witnesses and the questions and concerns of my colleagues. I have heard wisdom from both sides of the aisle.

Now is the time for action. We must reduce the deficit. We must invest in our future. We must be honest. The American people will tolerate nothing less, because everyone in this country knows what has gone on in the past. Let us not fool ourselves. American families cannot survive if they overextend their credit or make false promises about their household budgets the way the Government has done with ours. The American people know that. And I know the people of Washington believe I will listen to them during this budget process, and that is why they moved me from the gallery to the floor of the U.S. Senate.

Thank you.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, I will yield to the distinguished Senator from New Mexico.

Let me just note that we want to get to the amendments as quickly as possible. But the distinguished Senator from South Carolina has been waiting on the floor here for a couple of hours, just to get a few moments to speak. I would like to accommodate him, if at all possible.

Mr. DOMENICI. Madam President, just so the two Senators who are on the floor—and both have been patient and I am very willing to be accommodating—will know, what the chairman is going to do right now is ask unanimous consent that we proceed at 3:45 with the Harkin amendment, 2 hours on that, 1 hour equally divided, and that it be disposed of; and then we would take up the Nickles amendment, 2 hours, an hour on a side, and dispose of that.

So we would have two amendments disposed of tonight, including the Btu tax.

I am willing, if the two Senators are, to divide the 10 minutes that he remain equally, 5 minutes each, and we will still stay right on the time schedule, if that is agreeable.

Mr. SASSER. Is that agreeable to my friend from South Carolina?

Mr. HOLLINGS. I would agree.

Mr. MURKOWSKI. I would agree.

Mr. SASSER. Madam President, I ask unanimous consent that the Senator from Iowa [Mr. HARKIN] be recognized to offer an amendment regarding the barge tax, and that he be recognized at 3:45; that upon disposition of

the Harkin amendment, the Senator from Oklahoma [Mr. NICKLES] be recognized to offer an amendment regarding the Btu tax; that no second-degree amendments be in order to either of these amendments; and that the Senate vote on or in relation to both amendments before adjourning today.

Mr. DOMENICI. We have no objection, Madam President.

Mr. HOLLINGS. How about 3:46?

Mr. DOMENICI. Let me make sure the chairman and I understand. The Harkin amendment, it is still a sense-of-the-Senate resolution, is it not?

Mr. SASSER. That is my understanding, and the Senator from Iowa indicates that that is correct.

Mr. DOMENICI. I have no objection to the request.

I would ask the chairman to add 2 minutes to the time before it comes up.

Mr. SASSER. Madam President, I would amend this unanimous consent to insert the time of 3:48.

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

Mr. MURKOWSKI. May I assume that the distinguished Senator from South Carolina and I each have 5 minutes?

The PRESIDING OFFICER. That is correct.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Madam President, much has been said about the issue of fairness, the issue of equity, and the application of meaningful deficit reduction. This is something that all Americans believe that this body should address with dispatch.

The obligation that we have, Madam President, is to know what we have when we are through with the process: Have we created a significant reduction in the deficit?

Well, you have heard our side of the aisle express its collective opinion that by the time we are through with this exercise, we will have brought about the largest increase in taxation on the American people in the history of America.

We support the concept of cutting the deficit. The people in my State of Alaska are urging me to support a meaningful deficit reduction program. But they want equity, Madam President.

I only have a few moments here, but let me give you some idea of what is not equity, and that is the Btu tax.

Madam President, the administration is looking at the energy industry of this country, which contributes almost 10 percent of the gross national product, for 22 percent of the new tax revenues. Is that equity?

They are looking at the gas, the coal, the nuclear, the hydro, and the oil industry to contribute a tax of about 25.7 cents per million Btu, which sounds equitable on the surface. But then they come back and they say that oil is going to bear a surtax, a surtax of an additional 34.6 per million Btu. Is that equitable?

Why has oil become a sin tax? Is is like liquor and tobacco?

What happens if you have no other alternative but oil? You have to pay a penalty.

Now, there is some theory out there that suggests that we are going to save oil as a consequence of putting this surtax tax on.

Well, to get to my State of Alaska, I am going to have to fly back up there. There is no practical alternative. I am not going to save any oil, but the airlines, which are under a tremendous burden now, obviously are going to have to absorb this Btu tax or pass it on to the consumer.

Another difficulty with this whole package is there is no consideration given for the inflation factor. We are adding a stimulus to the inflation of this country at a figure that nobody can guess. How the potential of unemployment in our energy industry, as a reality of this Btu tax, will affect our economy, nobody knows. It is not equitable. It is not well thought out.

But, yet, we are expected to support this kind of a sacrifice.

Let me talk in the minutes I have about the mineral industry, a 12.5-percent royalty on gross—not net, but gross production. The mineral industry in this country competes with lead, zinc and so forth, production from Australia, Africa—we either are competitive in that marketplace or not. But our industry is being asked to share this burden so we can generate more revenues. The White House is telling industry look, we do not care where you get it as a user tax, just make sure you get it.

They are going to drive them out of business.

How many job losses are we talking about under the Clinton proposals? That is 27,500 lost jobs, if our mining industry moves out of the country as a consequence of this kind of a tax on royalties—not on net, Madam President, but gross.

What have we accomplished by the time we have made the complete circle? We have not accomplished anything. We have simply driven the industry overseas.

That is not what we want to happen, obviously, but that is what industry simply tells us is the harsh reality associated with this. And we are supposed to, somehow, rely on the Finance Committee or somebody else to make these cures. This should be debated within this body relative to the impact it is going to have on jobs, the tax base associated with the contribution.

As a consequence, Madam President, I simply point out, in conclusion because I think my time is up, that as we go through this, the conviction of deficit reduction is real. But let us make sure that we examine the ramifications associated with what this means. It means $124 million in new spending over 5 years. The budget only cuts $80 billion. In 1998 the deficit would be $228 billion per year. Yet the President promised $140 billion in deficit reduction.

His budget simply does not deliver and we have to recognize that.

Madam President, I believe my time is up. I thank the Chair and thank the floor managers for allowing me 5 minutes.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. SASSER. I yield to the distinguished Senator from South Carolina 5 minutes.

Mr. HOLLINGS. Madam President, very quickly, and I will try to encapsulate it, I was listening to the distinguished senior Senator from Texas. There is one thing we can agree on that he commented upon, his projection that we could have as big a deficit in 1996, when the President is running again for reelection, as what we have right now. There is no doubt about that. The President understands it. He hopes to lower it further with health cost containment. There is no doubt about that. And maybe we will need some additional revenues for that health plan. That is why I talked earlier this morning about a VAT.

Otherwise, let me talk about the duplicity of the Senator from Texas. He comes and starts with a chart, says here are the promises and here are the actual, what they did. Here is what they promised—Reagan, Bush—and actually what they did.

But then when he gets to the Clinton one he gives him the entire yellow line and he blames President Clinton for promises made by the Republican Presidents that were not kept. That is our dilemma.

I mean that is not promises not kept by the distinguished President of the United States today. The fact is we have $1.3 trillion in revenues, actually in these figures here that he used—President Clinton can only be responsible for $295 billion of those new revenues. Not the $1.3 trillion the distinguished Senator from Texas claims. To blame Clinton for all $1.3 trillion in new revenues, you would have to blame him for passage of the income tax back in 1913. In other words, most of the new revenue will be generated by taxes already on the books.

Look at the baseline and look at what taxes we already had. He has not passed a tax yet. Look at what we have and he adds all that together and puts it on the back of the distinguished President.

He says more spending than LBJ. I was there. The budget, of outlays in 1968–69, was $178 billion.

Do you know what the interest cost is now? The interest cost, net is $198 billion. The gross interest cost is $295 billion. That crowd has given us bigger interest costs due to the quadrupling of the debt than the budget for the Great Society and the Vietnam war combined. That is what President Clinton inherits.

The promises and actual—well, there is very little actual, he says here. Well the promises made, they never vetoed a single spending bill, Presidents Reagan and Bush. And Bush had 37 vetoes. I voted against much of the spending. He had a right, title and interest—but he did not veto spending. He vetoed appropriations spending bills with the doctor's counseling with respect to family planning, but not the actual spending. He always signed the spending and so did President Reagan, except for one little supplemental bill.

So Reagan and Bush have been leading the charge, getting exactly what they wanted, increases in defense, increases in domestic, we gave them separate budgets and they signed them all.

Finally the Senator from Texas says you cannot get the job done except by binding constraints. When he recommended the binding constraints in committee, the chairman of the Budget Committee and all Democrats opposed it. He says the promises, by 1996 are going to be forgotten.

That is what cuts keenly this particular sponsor of Gramm-Rudman-Hollings. At 12:41 a.m., October 19, 1990, we had Gramm-Rudman-Hollings, truth is budgeting. And I made the point of order to let us maintain it, let us maintain the spending targets and the spending restraints. And the distinguished Senator from Texas voted against, on the point of order. He voted for doing away with Gramm-Rudman-Hollings and spending constraints.

So do not come now, after he has offloaded all of this on President Clinton in his address here today. We know what his intent is. The distinguished Senator's intent was quoted in the Wall Street Journal on October 5. "We are going to make it hard for them to stick with Clinton," said Senator PHIL GRAMM.

There is no genuine attempt on the other side of the aisle to get a budget. It is just political applesauce.

I yield to the distinguished chairman.

Mr. SASSER. I thank the distinguished Senator from South Carolina. How much time is remaining? Is any time remaining?

The PRESIDING OFFICER. There is 20 seconds before the Senator from Iowa is due to be recognized.

Mr. HOLLINGS. In the 20 seconds I have, let me just say: Be wary of economists. I have been listening to them up here for 26 years and you can see where we are. Watch out for the economists.

The PRESIDING OFFICER. The Senator from New Mexico?

Mr. DOMENICI. Is there 10 seconds left so I would not be using anybody's time?

Mr. HOLLINGS. I yield it back. I yield it to you.

Mr. DOMENICI. You yield it to me? Thank you.

The PRESIDING OFFICER. The time is actually gone.

Mr. DOMENICI. Would he yield 15 seconds? Senator HARKIN is not quite ready. Can we do that?

Mr. SASSER. I yield 15 seconds off the time.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 15 seconds.

Mr. DOMENICI. Speaking of quoting people as to what they might be doing, might I quote this one? I think it is of interest.

Mr. HOLLINGS. Yes.

Mr. DOMENICI. 1988, Bill Clinton, Newsweek. "There is a lot of evidence that you can sell people on tax increases if they think it's an investment."

Mr. HOLLINGS. Right. And that is exactly where our Republican colleagues and I voted in 1987 for a value added tax. We did that in the Budget Committee that you were on there. In the particular vote which was sold us as an investment.

Madam President, I ask unanimous consent that the views and estimates from the Committee on Commerce, Science, and Transportation on the President's budget proposal for fiscal year 1994 and beyond be printed in the RECORD as part of the Senate debate on Senate Concurrent Resolution 18, setting forth the congressional budget for the U.S. Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

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

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,

Washington, DC, March 12, 1993.

Hon. JAMES SASSER,
Chairman,
Hon. PETE V. DOMENICI,
Ranking Republican, U.S. Senate Committee on the Budget, Washington, DC.

DEAR JIM AND PETE: This letter comprises the views and estimates report of the Committee on Commerce, Science and Transportation on the President's Fiscal Year (FY) 1994 budget proposal and economic package.

The Committee will address several areas of concern during the 103rd Congress. The budget for FY 1994 and beyond for agencies handling these issues will be scrutinized carefully to ensure adequate resources for implementing Committee initiatives and policies. The following is a discussion of major issues of interest, which are reviewed in the context of what the Committee understands to be the President's budget for FY 1994 and beyond.

AVIATION

The Committee is committed to ensuring that the programs of the Federal Aviation Administration (FAA) within the Department of Transportation (DOT) are funded at levels to ensure as safe and efficient an air transportation system as possible. The Committee notes that all the funding for the programs of the FAA, with the exception of a portion of its operations budget, comes from amounts collected from the travelling public and deposited in the Airport and Airway Trust Fund (Trust Fund), and that those amounts are to be used to maintain and modernize the air transportation system.

Aviation is critical to the economic prosperity of the Nation, and thus modernization of its airports and the air traffic control system must continue. The Committee is aware that many of the modernization projects being developed for the air traffic control system are seriously delayed and over-budget. This is troublesome to the Committee, particularly in an era of reduced resources, and such projects thus must be carefully monitored.

The President's FY 1994 request of approximately $4.7 billion for the Operations and Maintenance account is virtually the current services level. This amount is needed to enable the FAA to operate the air traffic control system and consolidate where necessary. The Committee in the past has expressed its concerns over the need for additional controllers. The Committee notes in this regard that the President's budget indicates that the air traffic control system has been rebuilt, which the Committee will monitor carefully. The Committee also wants to ensure that the requested level will provide sufficient funding for other critical support areas, such as air carrier safety inspector training and support for the technical workforce.

With respect to FAA Facilities and Equipment, the President's FY 1994 request represents inflationary increases over the FY 1993 appropriated levels, plus an additional $120 million in budget authority for air traffic control modernization. The total of approximately $2.5 billion is less than the $2.9 billion which Congress authorized in the FAA reauthorization legislation passed last Congress (P.L. 102-581) and is needed to fund the necessary equipment procurement and installation of that equipment for the modernization of the air traffic control system. FY 1994 funds are needed to continue the multi-year Capital Investment Plan, formerly called the National Airspace System Plan, and other projects critical to the FAA's effort to handle safely projected increases in air traffic. Examples of projects to be funded in FY 1994 include the Advanced Automation System, which will upgrade the air traffic control system's computer technology; the Voice Switching and Control System, designed to modernize the system's communications network; and the Terminal Doppler Weather Radar, which will improve hazardous weather detection in terminal areas. Installation of airport surface detection radar also continues to be a critical effort.

Regarding budget authority for the Airport Improvement Program (AIP), and also the use of passenger facility charges (PFCs), the Committee is interested in ensuring that all funds spent for the development of airports are needed to respond to the increased capacity needs of the air transportation system. AIP funds are clearly critical to continued improvement in the air transportation system, and the Committee will be reauthorizing the AIP program this year.

The President's budget request calls for inflationary increases above the FY 1993 appro-

priated levels for the Research, Engineering and Development account of roughly $237 million, which is within the amount of $297 million for FY 1994 authorized by Congress in the FAA reauthorization bill passed last year. Research is a critical aspect of the mission of the FAA. The United States must continue in its efforts to be a world leader in developing and testing new technology to make the air transportation system safer and more efficient, such as in the areas of aircraft safety technology, human factors, aviation medicine, and new transportation technologies.

The Committee is committed to appropriate funding for aviation capital development programs from the Trust Fund. However, because of the increase in the ticket and other taxes paid into the Trust Fund, and because appropriations for these programs generally have fallen far below authorized levels, the Trust Fund continues to have a significant surplus. The surplus at the end of FY 1993 is projected to be more than $4.3 billion. The Committee continues to believe that this surplus must be spent and for the purposes for which it was intended: aviation safety and capital development programs.

COMMUNICATIONS

The Committee will continue its oversight of the various sectors of the communications industry, the Federal Communications Commission (FCC), the Corporation for Public Broadcasting (CPB), and the National Telecommunications and Information Administration (NTIA), and will be considering reauthorizations of these programs. In this regard, the President has submitted proposals to increase certain portions of the NTIA budget and raise funds through spectrum auctions.

With respect to spectrum auctions, the President has proposed that radio spectrum now used by the Federal Government will be reallocated and assigned by the FCC to private users. The budget assumes that auctions will be used to raise revenues of $374 million in FY 1995, $1.623 million in FY 1996, $2.083 million in FY 1997 and $340 million in FY 1998. Members of the Committee are currently considering an alternative auction proposal.

The President's budget includes an investment proposal for "information highways" which allocates: $6 million for FY 1994, $42 million for FY 1995, $98 million for FY 1996, $129 million for FY 1997 and $150 million for FY 1998 for a total of $275 million for FY 1994 through FY 1997. The Committee understands that this funding will be added to the Public Telecommunications Facilities Program (PTFP) and is intended for trial projects to enhance the communications capabilities of schools, hospitals, libraries, and other similar groups. The Committee will be considering PTFP reauthorization this session. S. 1504, the Public Telecommunications Act of 1991, which was enacted last Congress, authorizes appropriations of $42 million per year for the PTFP for FY 1992, 1993 and 1994. The Committee understands that the President's investment proposal would be in addition to the funding authorized in S. 1504, ensuring the continuation and improvement of the Nation's public broadcasting stations and other educational and non-profit telecommunications services.

The Committee is not certain whether the President's budget includes funding for the Pan-Pacific Educational and Cultural Experiments by Satellite (PEACESAT) program; for the creation of and studies by the advisory panel on rural health and telecommunications needs; or for the National Endowment of Children's Educational Television, all three of which are administered by the NTIA. The Committee will consider authorizing funding for these programs in FY 1994 and future years.

COAST GUARD

During the past several years, the Coast Guard has demonstrated the capability to undertake a number of diverse and important missions across the United States. Adequate funding will be necessary if it is to continue to fulfill these national responsibilities. The Committee will be considering reauthorization of the Coast Guard this year and estimates that the Coast Guard will require $3,738 million in spending authority for FY 1994 to maintain current services and implement Administration proposals.

With respect to the Coast Guard's Operating Expenses (OE) account, $2,558 million in spending authority was appropriated in FY 1993. This OE budget emphasized funding for the Coast Guard's marine environmental protection and drug law enforcement efforts, while maintaining the Coast Guard's strong commitment to maritime safety, fishery law enforcement, and search and rescue. Such activities must be continued in FY 1994, requiring increased spending authority of $90 million after adjustment for inflation and Government-wide administrative and personnel reductions. Of the total funding level for operating expenses, $33 million can be transferred from the Boat Safety account, and $26 million can be transferred from the Oil Spill Liability Trust Fund to the OE account. Thus, new budget authority of $2,648 million for the Coast Guard's OE account in FY 1994 would be required.

The Coast Guard's Acquisition, Construction, and Improvements (AC&I) account, also will require a small, but significant, increase in funding from the FY 1993 level. Under the AC&I account, $389 million for capital improvement of the Coast Guard's vessel, aircraft, shore facilities, information management resources, and aids-to-navigation is recommended. The CBO baseline is $349 million for FY 1994. The baseline includes $36 million to be transferred from the Oil Spill Liability Trust Fund. In addition, an increase of $40 million will be needed to fund two important safety and environmental-protection projects proposed by the Administration. The first project is a new vessel traffic system to be implemented in busy ports and harbors to reduce maritime accidents and the threat of hazardous materials and oil spills. The second project is the replacement of seagoing and coastal buoy tenders, many of which are over fifty years old.

In other Coast Guard accounts, the Committee supports adequate funding to continue existing programs at current levels, including: $76 million for reserve training, of which $52 million may be transferred from the Department of Defense; $29 million for environmental compliance and restoration, of which $6 million may be transferred from the Oil Spill Liability Trust Fund; and $550 million for retired pay. The Committee anticipates that such funding levels would be consistent with CBO baselines and with the President's budget request.

OCEANS AND ATMOSPHERE

The Committee remains committed to the advancement of the atmospheric, oceanic, and fisheries programs of the National Oceanic and Atmospheric Administration's (NOAA). In addition, the Committee has focused on three priorities for strengthening the agency's infrastructure: (1) implementation of modern weather observation systems and technology, while maintaining current public weather forecasting and warning capabilities; (2) continuity of weather satellite coverage; and (3) modernization of the NOAA oceanographic fleet.

The Committee will be considering the reauthorization of various NOAA programs and in general supports continuation of NOAA's current activities, which CBO estimates will require spending authority of $1,850 million to cover base operations, construction, and ongoing procurements at FY 1993 service levels. In addition, an increase of $366 million may be required to address infrastructure priorities. The increase is composed of the following: $147 million in equipment and training for weather service modernization in line with Administration investment proposals; $150 million for NOAA geostationary and polar-orbiting weather satellite systems; and $69 million for the oceanographic fleet consistent with the 1992 NOAA authorization bill. In total, new budget authority of $2,151 million for NOAA in FY 1994 will be needed.

MERCHANT MARINE

This year the Committee will continue its examination of the state of the maritime industry and in this regard will continue its oversight of the activities of the Maritime Administration (MarAd) within DOT. MarAd's activities are essential to the maintenance of a strong U.S. Merchant Marine and the national defense of the United States.

In this regard, the President's FY 1994 budget does not appear to propose major reductions in MarAd's programs. Therefore, it appears that MarAd would continue to be funded at current levels. The Maritime Administration's FY 1993 appropriation included: $71.7 million for operations and training (including funding for the merchant marine academies); $440.5 million for the Ready Reserve Force; $52 million for Title XI loan guarantees (of which $4 million is for the administrative costs for the new loan guarantees); and $225 million for operating differential subsidy (ODS) obligations (ODS is a permanent, indefinite appropriation). The total appropriation for MarAd for FY 1993 was $789.2 million.

It is not clear whether the President's FY 1994 budget proposal includes funding for any possible maritime reform legislation. Last year maritime reform legislation was proposed by the Bush Administration, but was not enacted due to concerns about unavailable funds and other issues. The Bush Administration proposal would have required funding of $1.1 billion, and a recent industry proposal would cost $4.7 billion. The Committee will continue its review of this issue.

The Committee also understands that the FY 1994 budget proposal has no funding identified for Title XI loan guarantees. The Credit Reform Act of 1990 requires that the cost of any new loan guarantees under this program be appropriated. Without an appropriation, no new loan guarantee applications can be approved in FY 1994.

SPACE, SCIENCE, AND TECHNOLOGY COMPETITIVENESS

The Committee continues to focus on issues relating to technological competitiveness, as America's industry faces the challenges of a global marketplace.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

The President is expected to request an increase in funding for NASA above the current funding level of $14.3 billion, perhaps even more than the current services budget.

The Committee will be developing an authorization bill for FY 1994 for NASA.

Funding for NASA is needed to support a variety of space and aeronautical research and development programs, the construction and maintenance of critical aerospace facilities, and a civil service workforce. Of particular interest this year will be NASA's efforts to redesign the space station program. The President has announced his intent to continue development of a space station, one that is more affordable in the outyears. It may be necessary in FY 1994, however, to increase slightly spending on the space station program in the short term, in order to gain control of this program in the long term.

The Committee supports many of the programs funded by NASA, although it will be reviewing carefully funding allocations for individual programs in its authorization bill. In establishing funding priorities for NASA for FY 1994, it is important to highlight funding initiatives proposed by the President for enhancing NASA's civil aviation research and development program, including research into High Speed Civil Transport aircraft, advanced subsonic aircraft, and short-haul aircraft. In addition, funding of NASA's Mission to Planet Earth is important, as it is a major component of the U.S. Global Change Research Program.

TECHNOLOGY ADMINISTRATION AND NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)

The Technology Administration at the Department of Commerce (DOC) contains four key technology agencies—the Office of the Under Secretary for Technology, the Office of Technology Policy, the National Technical Information Service (NTIS), and NIST.

NIST is the largest of these four agencies. The Technology Competitiveness Act (sections 510 1–5164 of the Omnibus Trade and Competitiveness Act of 1988, P.L. 100–418) upgraded DOC's National Bureau of Standards into NIST and gave the agency new authorities to help U.S. industry speed the commercialization of new products and improve manufacturing. Under the 1988 Act, NIST assists industry in three ways: (1) continued in-house research and technical services, which provide industry with precise measurements, quality assurance techniques, and new process technologies; (2) technology extension activities, including Manufacturing Technology Centers and the State Technology Extension Program; and (3) the Advanced Technology Program (ATP) which provides seed money, on a matching basis, to industrial consortia and individual companies to help develop new precompetitive, generic technologies.

In an era when U.S. leadership in commercial technology is eroding, and when major trading partners spend a far higher percentage of their gross national products on commercially-related research, the Committee believes that targeted expansions of NIST programs are important to the future prosperity and security of the Nation. In this regard, on January 21, Senators Hollings and Mitchell, with Senators Rockefeller, Robb, Kerry, Bryan, Breaux, and Burns as cosponsors from the Commerce Committee, introduced S. 4, the National Competitiveness Act, a bill to upgrade NIST programs and provide FY 1994 and FY 1995 authorizations. The President's budget proposal also includes substantial expansion in FY 1994 and beyond. The document entitled "A Vision of Change for America," which accompanied the President's proposal, states: "the Federal Government has an important role to play in promoting economic growth, in part by supporting research and development. This proposal provides aggressive growth for NIST. NIST is the only Federal laboratory with the principal mission of supporting U.S. industry and has provided a steady stream of technology support to U.S. firms for over 90 years." The President proposes during FY 1994 to increase NIST by $138 million above the $384 million FY 1993 level. The Committee supports expansion of these DOC programs and is expected to act expeditiously on S. 4.

HIGH-PERFORMANCE COMPUTING INITIATIVE

In November 1991, Congress passed the High-Performance Computing Act (P.L. 102–194), which creates and authorizes a major new multi-agency computing initiative. The law creates a program, which is to be implemented by the White House Office of Science and Technology Policy (OSTP). The Administration strongly supports the program and proposes funding increases for high-performance computing for FY 1994 and outyears.

The Committee has strongly supported the high-performance computing initiative and will give the President's proposals very careful consideration. At a time when computers are more important than ever to scientific research, national security, and industrial competitiveness, it is essential that the United States maintain its leading-edge computer technology. By spurring the development and use of more powerful supercomputers and creating a national high-speed computer network, this law can ensure that American scientists, engineers, and students have access to the best computer hardware and software available.

NATIONAL SCIENCE FOUNDATION (NSF)

This year, Congress will consider a new authorization bill for NSF as well as the President's budget proposals to expand funding for NSF programs. The President's budget proposal would add $2.3 billion to NSF during the four fiscal years from 1994 through 1997. The plan states: "Studies show that investments in research and development (R&D) tend to be the strongest and most consistent positive influence on productivity growth. Most of NSF's investments are in university-based R&D programs which . . . contribute to the Nation's productivity by generating new scientific and engineering knowledge and contribute to the training of the next generation of scientists and engineers."

The Committee shares jurisdiction with the Committee on Labor and Human Resources over six of NSF's seven budget accounts—research and related activities, the U.S. Antarctic Program, academic research facilities and instrumentation, salaries and expenses, the Critical Technologies Institute, and the Office of the Inspector General. The agency's seventh account, education and human resources, remains under the sole jurisdiction of the Labor Committee. Therefore, the views and estimates regarding NSF that are submitted by the Committee address all of the agency's accounts except education and human resources.

SURFACE TRANSPORTATION AND HIGHWAY SAFETY

The Committee will monitor surface transportation spending under the FY 1994 budget in light of the various authorization measures enacted last Congress, including reauthorization of the pipeline safety programs, the rail safety program, the Local Rail Freight Assistance program, funding for the National Railroad Passenger Corporation (Amtrak), and the motor carrier safety programs and other surface-related programs funded in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). In addition, during FY 1994, the Committee will consider reauthorization of the hazardous materials transportation safety program.

With regard to the President's FY 1994 budget request, the Committee notes with particular interest funding proposals for high-speed rail and magnetic levitation transportation (maglev). According to "A Vision of Change for America," released February 17, 1993, $27 million is proposed to be spent in FY 1994 on high-speed rail and maglev, with a total of $646 million to be spent in the period FY 1994 to FY 1997. The United States must continue to focus on technology competitiveness and advanced transportation systems, and efforts to promote U.S. high-speed rail and maglev technologies are critical to this end.

With respect to highway safety, the Committee will continue its oversight of related programs. The highway safety programs administered by the National Highway Traffic Safety Administration (NHTSA) were last authorized in ISTEA. The Committee continues to be committed to ensuring adequately funded programs with particular respect to vehicular safety and impaired drivers. In this regard, the Committee notes with interest the President's proposal to add budget authority of $67 million in FY 1994 and $100 million per year in the outyears through FY 1997 for improved highway safety.

In conclusion, this Committee remains committed to responsible deficit reduction while maintaining adequate funding for those priority programs under its jurisdiction.

With warm regards, I am

Sincerely,

ERNEST F. HOLLINGS,
Chairman.

Mr. DOMENICI. I yield back my time. We are ready.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, pursuant to the unanimous-consent agreement, I think the Senator from Iowa is due for recognition.

The PRESIDING OFFICER. The Senator from Iowa is recognized to offer an amendment.

Mr. HARKIN. And I believe, if I am not mistaken, Madam President, there are 2 hours now, an hour on each side on this amendment?

The PRESIDING OFFICER. Yes, that is true.

Mr. DOMENICI. There are 2 hours equally divided; 1 hour on each side.

Mr. HARKIN. Exactly.

The PRESIDING OFFICER. There are 2 hours evenly divided. The Senator from Iowa, please proceed.

AMENDMENT NO. 181

(Purpose: To express the sense of the Senate regarding the barge tax)

Mr. HARKIN. Madam President, at the conclusion of my remarks I will be sending to the desk my amendment that provides that it is the sense of the Senate that the inland barge fuel taxes should not be increased beyond those increases already scheduled in current law and nothing in this resolution should be considered to assume such a tax or fee.

First of all, Madam President, I would like to thank Senator SASSER

for his help and for his leadership in working with me on getting this amendment drafted and offering it today.

Madam President, there is a proposal that was offered by the White House to increase the inland waterways fuel tax, properly known in rural America as the barge tax, by 525 percent.

The PRESIDING OFFICER. I am informed that technically you have no time under the Domenici amendment. The amendment is offered. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mrs. MURRAY, Mr. JOHNSTON, Mr. WELLSTONE, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 181.

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

SEC. . SENSE OF THE SENATE REGARDING THE BARGE TAX.

It is the sense of the Senate that the revenue figures set forth in this resolution does not assume an increase in inland barge fuel taxes beyond those increases already scheduled in current law and nothing in this resolution should be considered to assume such a tax or fee.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, again I offer this amendment on behalf of myself, Mrs. MURRAY, Mr. JOHNSTON, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, and there may be others.

Mr. NICKLES. Will the Senator be kind enough to add me as a cosponsor? I ask unanimous consent to be added as a cosponsor.

Mr. HARKIN. And Senator NICKLES also as a cosponsor.

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

Mr. HARKIN. Madam President, this sense of the Senate says the inland barge fuel tax should not be increased beyond those increases already scheduled in current law; that nothing in this resolution should be considered to assume such a tax or a fee.

Madam President, again I say there was a proposal to increase the inland waterways fuel tax, which is obviously known as the barge tax, by 525 percent. Under current law, the tax is scheduled to increase by 19 cents a gallon in 1994. This new proposal would add one whole dollar per gallon on top of that totaling $1.19 per gallon by 1997. I do not imagine too many people outside rural America are too concerned about barge taxes. It is not exactly a household word and I am sure not discussed over the dinner table very often. In fact in the Midwest, the success or the failure of hundreds of thousands of households could hinge on the outcome of this decision. Again, I think it is worth a few minutes of our time to reconsider the impact of this proposed tax.

In America today, barges transport 15 percent of the Nation's freight, including more than half of U.S. grain bound for export, a fourth of coal deliveries and about a third of petroleum shipments bound for export. So if the case is such that the barge industry will be put in peril by this new tax, then just think what would happen to the transportation of these goods on our highways. If you think there are a lot of trucks on our highways now, you have not seen anything until we do away with the barge industry in this country.

In 1989, over 1.28 billion bushels of corn were shipped by barge. That is equal to the entire corn production of Kansas, Ohio, Michigan, and Indiana all combined. Wheat is about half that amount. The farmers and shippers rely on these barges because the relatively low cost of shipping by barge helps them stay competitive in the global market. But with a 525-percent increase in the barge tax, that competitive edge would end. Just to cite a few examples, by 1997, the per-ton fuel cost of grain shipped to gulf ports from Pekin, IL, would rise from the current $1.71 per ton to $3.99 per ton. From Dubuque, IA, it would go from $2.35 a ton to $5.47 a ton and from St. Paul, MN, it would go from $3.13 a ton to $7.33 a ton.

Fuel costs of a typical barge movement on the Mississippi River would increase by $70,000. This is hardly the path to economic competitiveness. Again, this is barge traffic that goes to our ports of exit so that our products can be transported overseas and sold in foreign markets.

Here is how the so-called barge tax would shake out. First of all, the price of grain is set in the world marketplace based on supply and demand, which means that not much of the increased costs of the inland waterways fuel tax can be passed on to foreign buyers. So faced with this increased cost, it will be passed on to the barge companies who operate the barges. They cannot pay it. And I will ask unanimous consent, Madam President, to print an article in the RECORD recently in the Washington Post dated March 12 in which the chairman of the head of one barge company said that the increase in the taxes would be more than their pretax profits. So how can you tax someone more than what they even make? That means if you do that they might have to shut their doors. Most of these barge lines would have to shut their doors simply because the pretax profits of the industry would be less than the taxes they have to pay and they would have difficulty passing the tax on to their customers. You talk about a confiscatory tax, this is a confiscatory tax. I know that no one intended to do that. But that really is the result of it. I tend to think that those who may have proposed this tax did not fully look at the barge industry and what this tax would mean.

So since the barge companies cannot pay this tax, what do they do with it? They cannot pass it on to the foreign buyers because we compete on supply and demand in the marketplace, so what would happen is they would try to pass it on to the grain elevators that deliver the grain to the barges. A fraction of a cent either way for them could mean success or failure in the market. The grain elevators would try to pass it right back to you know who, the farmer. A 1985 study by the Department of Agriculture found that 70 percent of such costs, in terms of shipping, would indeed be passed on to the farmer. The National Grain and Feed Association estimates that the administration's current proposal would reduce the price farmers receive for grain by about 7 cents a bushel for grain that is shipped from my State of Iowa to the gulf for export. Other States would be more, some less of course depending on how close they are to the ports.

For many farmers in my State, that 7 cents would be the difference between making a profit or taking a loss, between keeping a farm or losing a farm.

Madam President, right now grain prices are about as low as they have ever been, not only in corn but also in wheat. All told the $1 tax would cost farmers about $431 million a year which would be devastating. The prices would go down and at the same time, costs for inputs like fertilizer would go up. In the end part of the bill would be picked up by the taxpayers in the form of higher deficiency payments to farmers. And, the farmers' grain would simply no longer be shipped by barge in many cases. Volume shipped by barge would go down.

So, Madam President, a 525-percent increase in a barge tax is confiscatory. It is strongly opposed by a wide array of agricultural groups, including the National Grain and Feed Association, the National Corn Growers Association, the American Soybean Association, the National Association of Wheat Growers, the Agricultural Retailers Association, the American Corn Millers Federation, the American Feed Industry Association, the National Agricultural Chemicals Association, and many more that I will not read but I will put them in the RECORD. Not to mention the many coal and barge organizations. I am just listing the agricultural ones.

They oppose it because they know the devastating impact this would have on rural America.

The Joint Tax Committee estimates that this proposal would raise $329 million in revenues in 1998, but those assumptions I believe, do not fully reflect the reality that many shippers will be priced out of the market, barge traffic will fall and revenues will fall far short of the projections.

For example, if the barge owner to whom I just referred who was in the Washington Post article, if his taxes are indeed more than his pretax profits, there is no way he can operate; he

is out of business. So the assumptions used to say there will be more revenues from that shipper are totally fallacious because there will not be any revenues because he will be out of business. That is what a 525-percent increase in the barge tax will get us.

The direct result will be an underutilization of barge transport which is our most energy-efficient form of transportation. There are those who say maybe we do not get all the user fees and things out of the barges. But again I remind Senators that we have developed this system of locks and dams on our major waterways not only for the purpose of barge use but for the purpose of flood control, for the purpose of recreation, and for other purposes.

Madam President, I can tell you in my own State and all the States up and down the Mississippi River, those locks and dams have saved million, I would say billions of dollars in property damage, avoided property damage because of the flood control aspects of those locks and dams.

Now, if you can get another use out of those, which is the barge traffic, all the better. And so to those who talk about this, I say you have to look at the other aspects of the locks and dams. We have the dams there anyway because we have to control the floods, we have to have some release point for the water. We have a shared use for flood control, recreation, and for barge traffic also.

So once you assume that we are going to have to control floods—which we have done and which I think, as I said, has saved us literally billions of dollars—then why not use the facility that you have for the most energy-efficient form of transportation, which is to float those barges down river and get them to ports of exit so that we can ship those goods overseas and be competitive in the foreign marketplace.

So again this tax would cause an underutilization of an already existing transportation network that we have developed and built up in this country over the last 200 years.

Madam President, Iowans and I am sure people in Oklahoma or Washington State or Illinois or Minnesota or anywhere else, Tennessee, do not mind paying their fair share to make America a better and stronger country. We are willing to sacrifice. We have sacrificed many times before. The 1990 farm bill cut the commodity programs by 25 percent. The President's program cuts another 11 percent. On top of that, we have the new Btu tax being proposed that adds about 8 cents a gallon for diesel fuel. And then finally you add a $1 per gallon barge tax scheduled increase on top of the 19 cents to be charged in 1994—what we have is a confiscatory tax.

We are willing to pay our fair share, but a 525-percent increase to the barge tax on top of all the other sacrifices that rural America is making is not fair and it does not make sense.

I urge the administration to reconsider this proposal. This is a sense-of-the-Senate resolution that basically says the figures in the budget resolution do not in fact assume that there is a barge tax, an inland water tax increase of a dollar, and that there would be no increase assumed over and above the amounts that are already in law which is 19 cents a gallon by 1994.

Madam President, I yield such time as she may require to the Senator from Washington [Mrs. MURRAY].

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Washington [Mrs. MURRAY].

Mrs. MURRAY. I thank the Chair. I thank my colleague from Iowa for offering this very important amendment.

I rise in support of the amendment on the inland waterway user fee. I know that the inland waterways are some of the most heavily subsidized forms of transportation in our country. The taxpayers have paid to construct and maintain them and the people who operate on them should pay to use them. However, I have strong reservations about the way this user fee is levied at this time.

My primary concern is that it is poor policy for the environment and for energy conservation. A major emphasis in the overall budget is for environmental cleanup and energy conservation. To clean up our air and conserve energy, it is important that we support clean modes of transportation such as barges.

On the contrary, the proposed tax in this budget would increase energy consumption by forcing our farmers to ship their wheat on trucks. Another concern I have is that the budget cuts be fair and equitable. The proposed fuel tax on inland waterway users does not meet that test.

As my colleague from Iowa stated, it would impose an increase of 525 percent on the current inland waterway fuel tax. This would hurt Washington's farmers. It would hurt our barge operators. Some 85 percent of Washington's soft white wheat is exported, and our farmers depend on the Columbia River to ship their wheat, peas, lentils, and other crops overseas. Combined with the proposed Btu tax and cutbacks in agriculture generally, we would be asking people in eastern Washington to make an unfair sacrifice in this budget-cutting effort.

Mr. President, I did not support cutting the user fees in the Budget Committee because the amendment offered there was not equitable. It would have sought offsets in the account in which the Public Law 480 program and the Export-Import Bank are funded. This would hurt our farmers as well as our aerospace workers who are facing a time when more than 20,000 Boeing employees will be laid off. I do not think we should be cutting one account in order to help someone else. But the amendment in front of us today is a good amendment.

I thank my colleague from Iowa for offering it, and I urge my colleagues to vote yes on this amendment today.

I thank the Chair.

Mr. SASSER. Will the Senator from Iowa yield me about 5 minutes?

Mr. HARKIN. I yield whatever time the distinguished chairman of the Budget Committee requires.

Mr. SASSER. I thank my friend from Iowa.

Mr. President, frankly, I want to express my sense of support for the sense-of-the-Senate amendment offered by my friend from Iowa and ably cosponsored by the distinguished Senator from Washington [Mrs. MURRAY], on the proposed inland waterways fee. It just makes sense.

Let me say at the outset that I share the concerns of my friend from Iowa regarding the undesirable impact that this proposal would have on the inland waterway industry and the agricultural sector which relies so heavily on our waterways for delivery of its products.

The truth is that the proposed increase in the tax to be levied against inland waterway operators does, I think, impose an unfair burden on one industry.

This proposal recommends increasing the tax on fuel used by these operators by a whopping 525 percent over 5 years, as has been alluded to here earlier. Now, to increase the tax that sharply I think would be unwise both from an economic and equity standpoint. Frankly, I've been told that perhaps this thing went further than some in the White House really fully realized at the outset.

It seems quite clear to me that such a dramatic rise in the tax level would unfairly punish one of our most efficient transportation modes. It could lead, I fear, to the eventual financial failure of many members of the waterway industry.

As my colleague from Iowa has so clearly pointed out, this proposal would have a most undesirable impact on the agricultural sector as well as on the coal industry—two sectors of our economy which have a history of export success in the world markets. Of course, we do not want to do anything that will diminish our competitiveness in world markets at this particular time when we have such an unfavorable balance of trade. It is estimated that such a steep rise in the tax would increase the cost of export coal and grain by as much as $3 a ton.

Now, I need to be candid with my colleagues. Industry in my own State of Tennessee relies heavily on inland waterways. Major companies that use the waterways in my State have indicated

to me that they are willing to support the President's budget. They are willing to support the President's proposal. But they think this goes too far. They say they are willing to do their fair share. Some of the owners of these companies have called me saying they want to do their fair share in getting the country's economic house in order. They say as barge operators they are willing to support the Btu tax, for example. But they quite properly draw the line on this new tax that we have before us because no single industry should have to absorb so dramatic a rise in its costs as the one that would occur if the proposed inland waterway user fee were put into effect.

So I conclude that the sense-of-the-Senate—that is what it is—resolution offered by my colleague from Iowa first makes it clear that the Senate will neither limit nor change the revenue number of the budget resolution reconciled with the Finance Committee. In other words, this will not reduce the overall deficit thrust of the President's package.

What the amendment does is, it clearly puts the Senate on record in opposition to this increased tax, which would have such a disproportionately adverse impact on one of the most important transportation sectors used by a wide variety of industries all across the Nation.

This is a sense-of-the-Senate resolution which says the Senate wishes and desires that the Finance Committee look elsewhere to raise these revenues other than by an increased waterways tax.

It in no way diminishes the overall deficit reduction thrust of this budget resolution before us. And the Finance Committee, if it follows the dictates of the Senate and if this amendment passes—I hope and I believe in good conscience—will look elsewhere for these additional revenues other than by levying an inland waterways tax, at least to the extent that it is assumed here in this budget resolution.

I thank the Senator from Iowa for yielding.

Mr. HARKIN. Mr. President, again I want to thank Senator SASSER, the distinguished chairman of the Budget Committee, for his kind remarks, for his support for this amendment, and for his help and leadership in assuring that we were able to draft the proposed amendment that would put us on record here in the Senate as saying that we want the Finance Committee to basically not impose this kind of a barge tax on us.

I think the Senate is going to speak with a very strong voice on this, Mr. President, because this would be a devastating tax.

The Senator from Washington State, I think, said it best when she talked about how it would impact her people in Washington State, and what it means in terms of the impact on our ability to sell our goods and products overseas in a competitive market.

The Senator from Washington has been most helpful. I appreciate her help and her support in pulling this amendment together and getting support for it.

Again, I thank the distinguished chairman of the Budget Committee for all of his help and for his support on this amendment.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. GORTON. Mr. President, I yield myself such time as I may use.

Mr. President, I would like to inquire of the Senator from Iowa whether he proposes to ask for a rollcall on this issue. If he does, I defer to him on that account.

If not, I will do so myself.

Mr. HARKIN. The Senator, I know, is also a strong supporter, and I know he is about to speak on this, because he has worked on this issue himself. Again, I want to thank him for his support and for his interest in this amendment.

I would defer to the Senator. If the distinguished chairman wants a rollcall vote, we could discuss it.

Mr. SASSER. It appears we will have a rollcall anyway, because if my friend from Iowa does not ask for the yeas and nays, then it is obvious the Senator from Washington will.

Mr. GORTON. I simply wanted to defer to the sponsor of the amendment.

Mr. HARKIN. I appreciate the Senator's kindness. Yes; I ask for the yeas and nays.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. I thank the Senator for his kindness.

Mr. GORTON. Mr. President, I am delighted to agree wholeheartedly—on my own behalf, for the Republican members of the Budget Committee, and I believe for every Senator on this side of the aisle—with the distinguished Senator from Iowa, and to express our support for his proposal.

It is a very good one. It is one which ought to be adopted. I will say toward the end of these remarks that we will have a better one later on the same subject, but that in no way lessens our agreement with the views which have been expressed by the Senator from Iowa.

In fact, of course, the campaign to get rid of perhaps the single most iniquitous tax, certainly the most iniquitous relatively small tax in this bill, started with the Members from this side of the Chamber in the debate in the Senate Budget Committee just last Thursday.

We felt at that time that this proposal was on its deathbed. It is breathing very shallowly now. Even though this may be a deathbed conversion on the part of the Members on the other side who voted unanimously against taking this tax out of the proposal last Thursday, they are nonetheless welcome to this cause.

The whole issue, Mr. President, gives a magnificent illustration of the lack of attention paid by certain elements in the administration to the way in which this budget was put together. It was a gratifying surprise, on the morning after a proposal like this, though more enforceable, was turned down on a party-line vote last Thursday, that the Washington Post had a principal article in its Business section on this subject bitterly criticizing the proposal, and discovering that it was a proposal that had no parentage. No one in the administration, in the Office of Management and Budget, no one up to the level of the President of the United States himself, would claim to be the author or to have thought up the idea that we should increase by 525 percent the fuel tax on the use of our inland waterways.

The President himself was quoted as saying, and I am reading his quote:

> I am not sure that, the way the structure, the plan, was originally designed, that it was supposed to go up that much. I think that should be reexamined.

That is a direct quote from the President of the United States.

The group of Senators on the other side of the aisle now see it the way in which the President did, the way in which we saw it on the day on which this budget proposal was made in the first place.

It is a particularly important illustration because this is not a major portion of the budget. If this tax were imposed, and if it had absolutely no impact on the use of our inland waterways—which, of course, would not be true—it would be devastating to the companies in this field, and greatly decrease the use of waterways. But if it got the full amount that it was supposed to get, shown in the budget resolution, it would amount to $800 million; that is to say, less than $1 billion out of the $295 billion in net new tax increases included in this budget.

Yet, the proponents of this sense-of-the-Senate resolution now recognize how devastating it would be. As modest as it is with respect to the numbers we bandied around in this Chamber, it is far more than the total profit of all of the inland waterways companies in the United States—far more than that entire profit.

The Post article last Saturday quotes one of the eastern barge lines as saying that this is some 3.5 times as great as its annual profit. One of the organizations in my own State, the largest barge line on the Columbia River, re-

ported to me very early, within 48 hours after the proposal, that the cost to it would be far greater than its annual profit; and, of course, it would make it uncompetitive with respect to many of the commodities which it carried.

Its impact on the agricultural community is almost as serious, particularly on that portion of the agricultural community which uses waterways for transportation to ports for export overseas. Most of the agricultural produce which would be affected by this charge is produce which is designed to be sold at export overseas, in competition with wheat and other commodities from other States.

This would add, of course, to the cost of selling that wheat. It would make us less competitive when we already compete with heavy foreign subsidies, from Canada and the European Community. It would reduce sales of wheat overseas. It would, as the distinguished Senator from Iowa has said, add to the cost of agricultural supports for unsold and otherwise lower priced wheat, corn, and many other supported commodities.

It is, in other words, a very mistaken notion that you can take an industry which pays now an average of 60 cents a gallon for the fuel which it uses and add well over $1 to the already existing tax on that fuel and not have a devastating effect on that form of transportation, not have a devastating effect on the customers of that form of transportation. It was simply an idea that should never have appeared in the budget in the first place, and it is a delight to see that it is now going to be abandoned. That is most gratifying, and we certainly agree.

In fact, this form of transportation is perhaps the most environmentally benign form of transportation by which we move commodities from one place to another. This is a very efficient form. It uses fewer gallons of fuel per-ton-mile moved than perhaps any other form of transportation. It does it in a way that produces relatively little pollution and, obviously, no traffic jams on our highways or with respect to our railroads.

So there is now unanimity on the floor of the Senate, as far as this Senator can determine, that this tax should not be imposed.

That leads us to the final question and the only quarrel or caveat that I have with the way in which this proposal is set up. Unlike the amendment which was rejected in the Senate Budget Committee, this proposal is a pure sense-of-the-Senate resolution. It has no real impact on the guts, the substance of the budget resolution, no impact, of course, on the House of Representatives, which I understand has not taken this tax out of its budget proposal. It is a mere statement of sentiment on the part of the Members of this body, as far as we can tell at this point.

Moreover, even though it is less than 1 billion dollars' worth of this budget over a 5-year period, the implication is that it will be paid for by taxing someone else $800 million more. Even with total gross taxes of close to $360 billion, even with net taxes of $295 billion, the sponsors of this amendment could not find it in their hearts to lower spending by less than $1 billion, thereby making this a true amendment to the budget resolution, changing figures, cutting spending to this amount, cutting taxes to this amount. But the clear implication—as a matter of fact, the necessity—if we do nothing more than to pass this amendment is that some other poor group in the United States of America is going to have to come up with the $800 million that will not be levied against the users of our waterways.

The proposal which we made and which was rejected in the Budget Committee said merely, let us take it out of one of the three departments which the President did not subject to administrative cuts—to the State Department. What was the answer of the other side? It will not come out of the State Department. If you take it out of that function, it will come out of aid to Israel, or it will come out of the Export-Import Bank, or it will come out of some absolutely vital function of Government. What an abysmal failure of faith in President Clinton that argument represents.

To think that the Democrats would say that this President would not cut any of the bureaucracy out of the State Department at all, but would take this right out of programs vital to the United States of America. That is certainly not a lack of faith which this side would have shown in a Republican President had we gotten the same kind of proposition.

In order, however, to remove any concern that this might come out of such programs as that, later on in the course of this debate, we will offer a formal amendment to this budget resolution lowering both the tax side and the spending side by the amount of money of this user fee, taking it out of the general increases, the hundreds of billions of dollars of increases in domestic spending and giving an instruction that this tax is not to be a part of the ultimate budget.

So people on this vote are getting to vote their sentiment. And we fully agree with the sentiment expressed by the Senator from Iowa. But we do need to put the Senate on notice that it will get an opportunity, really, to get rid of this tax later by getting rid of a modest $800 million of spending rather than simply adding another $800 million of taxes on the backs of the American people.

Mr. DOMENICI. Will the Senator yield me 3 minutes?

Mr. GORTON. Yes.

Mr. DOMENICI. I thank Senator GORTON for managing this part of the bill and for his superb work on the Budget Committee. He has been of invaluable help. The Budget Committee on our side worked as hard as we ever have, and that is a testament to each one of the Republican Senators. I find them freely expressing themselves on the floor, because I think they truly have participated and understand precisely what is going on.

Having said that, this particular amendment, although it is a sense of the Senate and really carries no real effect, points up one thing: If you put your heart to it and put your soul to it and put your thinking cap to it, you can find a direct relationship between taxes and loss of jobs. We keep getting asked: What are you talking about, Republicans? You say $295 billion in new taxes is going to cost jobs. This is a great example. This one, we can pinpoint, to go from 19 cents a gallon to $1.19 a gallon, clearly proves the case that you can tax a business enough so they either go out of business, or they do not produce jobs.

So I rise to tell those who are listening that is exactly what is happening to American business in this whole budget, in this entire economic recovery plan. By the time we are finished putting on the energy tax, the marginal rate tax increases on small businesses, an increase in corporate taxes, how in the world can business respond with more jobs? It is impossible. It is sort of like this: You are starting to say you cannot make enough money, so maybe you do not hire anybody. That is what worries me when I say I cannot support the President's plan, as much as I would like to support the President, because I think when we are finished, we have more Government and more taxes, and I fail to understand how that is a plan for economic prosperity or recovery.

Some think we ought to tax and spend because the Government will create all of these good things so America will have jobs. Frankly, I do not believe that. I do not believe it has anything significant to do with whether the American economy grows that we spend $124 billion more in new programs in the name of restraining the deficit.

Having said that, let me suggest that I know a little bit about the barge tax. They very first bill I ever passed, Mr. President, on the floor of the Senate was the first inland barge user fee. Obviously, I am from New Mexico, and we do not have many barges or inland waterways, but it was a great cause. It took me forever to get it done against all kinds of odds, but it was right. It was a little tiny tax. And even then we were worried about the impact on the business community that uses the inland system and its dikes and dams for commerce.

I think it was less than 10 cents and implemented over time.

So I compliment my friend and the other Senators who are going to take to the floor and do it not by way of a sense-of-the-Senate resolution. We will all vote for that. But then we are going to offer one to take that $1 billion tax right out of this and may provide for that cost by cutting some Government spending someplace. That will be a test of whether we want a barge industry or not.

I will limit whatever time so we can move on to the next one.

I appreciate the Senator's comments.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. GORTON. Mr. President, I yield 5 minutes to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I thank the Senator from Washington and thank him for leadership on this issue. I am proud to have been a cosponsor of the amendment offered in the Budget Committee to take out this tax. I also thank my friend from Iowa, because he and I come from a part of the country where we really do understand the importance of a healthy barge industry.

I want to express my appreciation to the Senator from New Mexico as well. We can tell him what barge traffic means. I also would agree with him very strongly on the broader point that I tried to make earlier today on the Senate floor.

Imposing taxes on business activities has an impact. I cited this morning the impact of the so-called luxury tax on boats. As we all regrettably know, that tax did not raise revenues. It stopped people from buying the boats. The wealthy people who could have bought the boats either did not buy or bought abroad. As a result, we did not get the revenues we expected from the tax on luxury boats, but what we got was significant and deeply troubling unemployment among those who had built the finest boats in the world.

This inland waterways fee is another example of what can happen if we impose unthinking burdens of taxation on economic activities.

I spent Monday morning in Kansas City, MO, meeting with representatives of the terminals, the barge industry, and agriculture. The people from agriculture were telling me about the burden that this would impose on the farmers. Some say 7 to 8 cents, others say as high as 10 to 12 cents per bushel more for transportation to take a bushel of corn or a bushel of soybeans down the river to New Orleans for export.

Let me tell you something about the market for agricultural crops. A farmer cannot go to the buyer in the export market and say: Excuse me. They just increased my fuel tax, or inland waterway user fee, by 525 percent. So if you will just give me that extra dime on the bushel of corn or bushel of soybeans I can break even. Obviously, this does not happen. Farmers do not control the market. Thus, this tax comes right out of the farmers' pocket.

The Mississippi River system which is comprised of the Missouri, Ohio, Arkansas, and Illinois Rivers is the core of about 25,000 miles of inland and intercoastal waterways, and they annually transport almost 1 billion tons of raw materials involved.

I am advised that under the original proposal, the 525-percent increase, the dollar increase in tax, the fuel cost per ton for grain shipments from St. Paul, MN; Quincy and Pekin, IL; Dubuque, IA, to the gulf would increase by 130 percent, 126 percent, and 125 percent. Over half of all grain destined for the overseas markets is shipped by barge. Overall, agricultural products comprise nearly 35 percent of all products moving on inland waterways.

The cost of this tax, if the barge companies stayed in operation and if they could continue to operate, would be very severe on agriculture. It would hit the farmer in the pocketbook. The family farmer trying to earn a living for his and her family would pay. But let us not make any mistake about it. They would not be in business.

My colleague from Washington has already pointed out that this would put the barge companies out of business with all those jobs lost, and no revenue from the waterway fees. That is why I think it is vitally important that we not only support this resolution, but I look forward to joining with my colleague from Washington to put specifics in this resolution that will take that fee out, because we cannot afford it. We cannot afford to impose mindless taxes which are going to take away jobs we badly need.

I appreciate our Budget Committee leader's admonition that we need to get on about the business, as I could say many more things.

I only say thanks to my colleague from Iowa and my colleague from Washington for their leadership on this issue.

I urge the strongest support from the Members of this side of the aisle and the other side of the aisle on this resolution, and then again ask please help us when Senator GORTON and I move specifically to take out this tax and related spending items in a later amendment which we will offer.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. GORTON. Mr. President, I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I thank the Senator from Washington.

Mr. President, I join with Senator HARKIN and others in supporting this amendment. I hope that when we come to a real vote on real tax cuts we have more than just a sense-of-the-Senate resolution.

As to this particular fivefold increase in taxes, you picture yourselves in any business and you are paying a dime, suddenly you are going to pay 50 cents; or you're paying 19 cents and suddenly you are going to pay $1.19 for the use of one factor, oil, or diesel, for transportation, and you realize what it does to your costs.

Mr. President, you used to be able to barge on the Columbia River in Portland, OR, no farther than the Dalles River, about 180 miles upriver, and then there was a large falls and that was the end of navigation. Today, you can barge to Lewiston, ID, about 400 miles. There are ports along the Oregon and Washington side of the Columbia River. Lewiston, ID, is a port.

We export out of Oregon and Washington 90 percent of all the wheat that we grow. It is a very soft, white wheat, very desirable in the world, and we are very fortunate that we have been very successful in competing in world markets. A great deal of credit goes to the wheat growers. Forty years ago they levied a charge on themselves to open up offices overseas to attempt to sell their wheat and they were successful.

If we pass this inland waterway tax, and that is what it is, you will drive Oregon and Washington wheat out of international markets. You are not going to collect the money you hope to raise on this fee. You are simply going to draw people off the rivers and drive us out of world markets.

I have talked to the Pacific Northwest Water Association, Port of Portland, and the wheat growers. There is not a man or woman depending on that river who supports this.

I am not experienced with the Midwest waterway system. I doubt you can find anybody in Oklahoma who supports this. They can barge all the way from Tulsa, almost 800 miles, to the mouth of the Mississippi south. There is no one, from the mouth of the Mississippi to Minnesota, that supports this.

If you want to cripple an industry, if you want to cause layoffs and unemployment, if you want to drive us out of world markets, go ahead and vote to increase this tax from roughly 20 cents to $1.20, and you will succeed in hurting our balance of payments, in causing unemployment, in causing all of the misfortune that we claim we do not want to cause.

For all those reasons, and many more, I support the Senator from Iowa and I ask unanimous consent that a letter to Senator PACKWOOD from the director of the Port of Portland be printed in the RECORD.

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

PORT OF PORTLAND,
Portland, OR, March 5, 1993.

Hon. ROBERT PACKWOOD,
U.S. Senate, Washington, DC.

DEAR BOB: I want to call your attention to the important issue of how the Administration's proposed $1 per gallon waterway fuel tax increase would hurt the Pacific Northwest. The Port of Portland believes we have a public responsibility to address policy issues affecting the communities and customers we serve. While the proposal is yet to be spelled out completely, this much is known: the added $1 per gallon charge, to be phased in over four years on top of the current 17 cent charge, would mean a more than five-fold increase in this fuel tax. For each gallon of diesel fuel used on the inland water transportation system, the net effect would be a 108 percent jump.

Our Columbia/Snake River water transportation system is central to the success Oregon exporters have enjoyed in world markets. Yet, the five-fold increase in fuel costs proposed by the Administration would undoubtedly mean lost export markets. This is so because our customers compete against producers in other nations. These competitors will not be facing a similar tax. The result: foreign buyers will turn to producers outside the U.S. if domestic operators try to pass this price increase along. To remain competitive, domestic producers will be forced to absorb this cost internally or pass it along to their U.S. customers. Because our waterways move such large volumes of farm products, raw materials, and other commodities, this huge increase in taxes would reverberate through the economy of the region as well as the nation.

Estimates of revenue to be raised by this tax hike are $820 million over four years. That expectation is unrealistic. The real impact will be to force commerce off the river. As that happens, fewer gallons of diesel will be consumed. Thus, the anticipated tax benefits will not materialize.

The Port of Portland urges you to consider seriously the adverse impact such a tax proposal would have on our regional economy. First, the customers of the Port who use the waterways to compete effectively in competitive international markets would feel the cost escalation immediately. Their ability to compete, and help keep the U.S. trade deficit from deeping, would be diminished. The second impact would be higher prices passed along to Pacific Northwest consumers buying gasoline, electricity, building materials, food, and the like that move on the water transportation system. This proposed fuel tax would come on top of the existing tax and the proposed BTU tax, which would add another 8.5 cents to the cost of a gallon of fuel. All this amounts to a double shot at the water transportation industry. Already, according to industry analysts, fuel costs amount to 25 percent of the operating expenses of the barge industry. By comparison, fuel represents about 20 percent of operating expenses for trucks and only 6.7 percent of expenses for rail.

Finally, in justifying this higher tax, the Office of Management and Budget is claiming that waterways were built for "commercial navigation beneficiaries" so they should pay all operating and maintenance costs. Not so. Most rivers, particularly those in the Pacific Northwest, were improved for a variety of public interests, including flood protection, water supply and hydropower, as well as navigation. Even then, the federal government provides only in-channel improvements, while other entities such as ports and private interests provide docks, terminals, and elevators essential to the transportation system.

We all must do our share in helping to solve the nation's economic problems, but this plan would create substantial new economic difficulties. A better than five-fold increase in the fuel tax on the Columbia/Snake River system would erect a new trade barrier, leaving many of our customers unable to compete in their world markets. From the standpoint of world trade, this plan would endanger U.S. exports at a time when we most need them. From the standpoint of fostering economic growth, this plan would be counterproductive.

Again, we stand ready to discuss how to fund the operation and maintenance of our river system. I hope this information is useful to you and your staff. Let me know if I can supply additional information on this proposal.

Yours very truly,

MIKE THORNE,
Executive Director.

Mr. MOYNIHAN. Mr. President, I hope that the distinguished chairman of the Finance Committee will have a moment to hear what I have to say.

I rise simply as the chairman of the Committee on Finance and to note that the concurrent resolution before us, in a terse five lines, asks the Committee on Finance to raise taxes by $294 billion over the next 5 years.

We will be making history if that happens, Mr. President. It will be the largest tax increase in the history of public finance in the United States or anywhere else in the world.

This is the President's program, and I for one am committed to it. But I do observe that the first measure we have on the floor with the concurrent budget resolution is to say "but not this tax," and you cannot have been 17 years in the Finance Committee, as I have been, or many more, as my distinguished friend from Oregon who has just spoken has, sometimes as chairman. I refer to him as the once—and—future chairman, because if we do not get the President's program through he will be the chairman next.

Mr. PACKWOOD. I hope if we do get it through.

Mr. MOYNIHAN. I see he says "I hope we get it through." I agree with him. Everybody is for the tax revenues in general but not my tax.

Mr. PACKWOOD. Mr. President, if my friend will yield for a moment, I do not want as he paraphrased my quote to appear in the RECORD. I did not say that. I said if we do get it through I will be the chairman of the Finance Committee again.

Mr. MOYNIHAN. I confess to have been somewhat surprised. We are all for increasing revenues but not this tax.

Mr. President, this tax is specifically provided for in an appendix page 139 of "A Vision of Change for America."

I do know that when in New Orleans the President was questioned about this—I would have to assume it was March 11; it was reported in the Washington Post on the 12th—and when asked about it President Clinton in the Post story says:

Clinton himself has suggested that the proposed tax was not supposed to have been that stiff.

"I'm not sure that the way that the structure, the plan, was originally designed, that it was supposed to go up that much," Clinton told an interviewer with WWL-TV in New Orleans. "I think that should be reexamined," he added.

Well, yes, that is possible.

It is clear, of course, that in the budget resolution, no taxes of any kind are specified. There is no "this tax" or "that tax."

I thank the Budget Committee for having avoided any obiter dicta, as lawyers say, saying, "Well, maybe, just in case nothing comes to mind, you can think about this tax or that tax."

We have the largest tax increase in history. The first time the President was presented with a specific, in a context where it was relevant locally, he said, "Well, I am not sure about that tax."

And the first resolution we raise on this floor is to say, "Not that tax."

Well, if that is the way it goes, that is the end of the program. That will be the end of the program.

I regret to say that, but this is a pattern of unraveling that just begins. It does not take much to start unraveling. And here we are, without even having gone to conference, already saying, "Not this tax." Not my tax; not your tax.

As that wonderful Finance chairman Russell Long used to say: "Don't tax you, don't tax me, tax that fellow behind the tree."

If this is the beginning, then also, Mr. President, it marks the end.

I do not want to object, because it is a very sharp rise. I do not know why it is suggested that the idea came from the Congressional Budget Office. It never comes from the sponsoring agency. Maybe it was a typographical error, although the numbers did add up.

I put the Senate on record: We are going to have to make history by the largest set of tax increases—we will call them revenue enhancers, or what you will, but taxes—and we better be ready for it.

I can well understand the Senators from Washington, who spoke so well on this subject; and the reference of the Senator from Oregon to wheat exports is no doubt correct.

I ask for 1 more minute.

Mr. HARKIN. I yield 1 more minute to the Senator.

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

Mr. MOYNIHAN. Mr. President, I would say to my friend from Missouri, who mentioned earlier the 25,000 mile inland waterway system of the Ohio, Missouri, and Mississippi systems, that

is the greatest river transportation system in the world. Longest and perhaps not as dramatic as the Columbia River, but of equal importance to both of us.

Every penny of those waterways was paid for and built by tax money. That is not the way the Lord made the Northern United States, the Columbia River Valley, the Ohio River Valley, the Missouri and the Mississippi. That is the price of Government. We are learning it in these days.

Mr. President, I do not wish to cause anxiety, but I want to say that if we cannot face up to revenues—and I understand that this may have been a mistake or, in any event, has been disavowed. Fine. I would like to make clear that nothing that happens on this floor binds the Finance Committee, in any way. I want to make clear I would be perfectly sympathetic to any specifics about why this should be adjusted or that should be adjusted, and we have a long list of those taxes.

But I want to say, if we are going to get to $294 billion, we will not do it at this rate.

I do not wish to speak any longer. I thank my able and learned friend from Iowa. Nothing is more important than the inland water traffic. In the Subcommittee on Water Resources, of which I happen to be chairman, I am specifically responsible for it.

We have had a water bill every 2 years now since 1986, after a 15-year interruption. The whole history of civilization is the history of the development of river valleys and their use for transportation.

But, keep this up and the President's program is in jeopardy. Once may be a necessary exercise; twice begins the unraveling of a great and necessary plan.

I thank the Chair. I thank my friend from Iowa.

Mr. SASSER. Will the distinguished Senator yield to me?

Mr. HARKIN. I yield to the chairman.

Mr. SASSER. Mr. President, the distinguished chairman of the Finance Committee, I think, raises a very valid point today, as he always does.

At some point, the Finance Committee is going to have this burden thrust upon it. It is going to be the problem of the distinguished chairman and ranking member and the members of that Finance Committee to follow the admonitions in this budget resolution. And I certainly do not wish to make his formidable task any more daunting than it already is.

I certainly agree with him that what is said on the floor of this Senate by way of a sense-of-the-Senate resolution or what is said in this budget resolution about options with regard to raising revenues are not in any way binding on the Finance Committee.

The distinguished chairman and the members of his committee are free to work their will on the revenue measures as they emerge from the committee. Of that, there can be no doubt.

I am hopeful that once we have corrected what we perceive to be an error, an oversight, here and expressed our views on it, then from here on out we will move the President's package in its entirety.

The statement of the distinguished chairman of the Finance Committee about waterways and how they are paid for is not lost on a Senator from Tennessee.

I well remember when I first came to the U.S. Senate, the distinguished chairman of the Finance Committee—at that time the junior Senator from New York—said, good humoredly to me one day: "You know, there would not be a Tennessee Valley Authority if we in New York had not paid for it."

And there was a large element of truth in that. Because back in the 1930's, the mid-1930's, when those in my area of the country lived in dread—with the floods that came and washed over their land and swept away their homes and killed their livestock; when they lived there in darkness or by the flickering light of a candle or a kerosene lantern—the capital or the resources were not present in the Tennessee Valley in those days to build a Tennessee Valley Authority, with its great hydroelectric dams, or to construct the waterways and tame the wild rivers of that area.

But the capital of the affluent States, such as New York, so ably represented by my distinguished friend here today, was utilized by a man of great vision. And President Franklin Roosevelt and his administration, working in tandem with a Congress, decided to make some investments in the Tennessee Valley area and in countless other areas all across this country. And I daresay Iowa was lighted by the Rural Electrification Administration. It was largely paid for with dollars coming out of affluent States like New York.

So I just want to say to my great friend from New York, I hear what he is saying today. And, once again, we have a President, I think, who is willing to make investments in the future of our country just as President Franklin Delano Roosevelt made those investments in the 1930's. We looked to New York and her sister States to help pay for it in those days.

Mr. President, we will be looking to the distinguished senior Senator from New York to help raise the revenues for it this time. I look forward to assisting him in any way I can.

Mr. MOYNIHAN. I thank the distinguished chairman.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. HARKIN. If I might also respond to the comments by the distinguished chairman of the Finance Committee, I understand what he is talking about when he talks about unraveling the President's package. Certainly, we do not want to do that.

However, I believe it was perhaps the distinguished Senator from Washington who earlier had a quote from President Clinton when he was in New Orleans. I would repeat that quote as it was printed in the Commercial Appeal on Monday morning, March 8. During a television interview in New Orleans last week, President Clinton gave tugboat operators hope that the huge increase is being reconsidered.

"I think that should be reexamined," Clinton said. "I am not sure that the way the plan was originally designed that it was supposed to go up that much. I don't think there was a deliberate attempt to quintuple it."

So, obviously there perhaps was some—perhaps a mix up between OMB and the White House in terms of what kind of revenue enhancements they were going to use to put together their package. I daresay they did not sufficiently examine the impact it would have on the barge industry and I think now they are going to see that.

So I think the President himself has indicated a willingness to reexamine it.

So I do not think this in any way unravels the package because the President himself has said he would be willing to reexamine this.

I would just again ask my distinguished chairman of the Finance Committee. This is a sense-of-the-Senate resolution. As pointed out by the Senator from Washington, my good friend, and others, this is not binding on the Finance Committee. I understand that. But I believe it does give a clear sense to the Finance Committee of what kind of revenues we want and what we do not want here in the Senate. I think that is certainly within our purview, as Senators, to be able to express that to the Finance Committee.

I ask the distinguished chairman this question, though. Comments were made by a couple of the speakers that maybe there should be another amendment offered that would lower the total revenue side of the package and indicate to the Finance Committee that this should be taken out of the proposed levies on the inland barge fuel.

It is my understanding that if this happens, that lowers the total revenue number but still does not bind the Finance Committee in any way to take it out of inland fuels.

Mr. MOYNIHAN. May I respond?

Mr. HARKIN. I yield to the distinguished Senator.

Mr. MOYNIHAN. That would be the case. And I think the administration may wish to address the fact that it is now $800 million short in its revenue plan—or some, whatever. If that increase was more than intended, there is something missing here. But I would

just feel—and I believe this is a question that should be addressed to our learned and able friend from Tennessee—but I certainly hope that does not happen. If you start that, the administration is over before it has begun.

Mr. HARKIN. Again, my point is since this is a sense-of-the-Senate resolution that goes to the Finance Committee, we say we should not levy this because we believe it is a confiscatory tax and I have ample proof to show it would be absolutely devastating to the barge owners. But it does not in any way increase the total amounts and put a heavier burden on the chairman of the Finance Committee. It leaves the figures at the total of, I believe, $294 billion—$254 billion.

Mr. MOYNIHAN. I can tell you—$294 billion.

Mr. HARKIN. So, again, to adopt an amendment that would lower that figure I think would perhaps cause a lot of problems to the Finance Committee in terms of putting the package together. At least this sense-of-the-Senate resolution—

Mr. MOYNIHAN. May I say, I think the problem would be with the Budget Committee's overall plan. It would be out of balance.

Mr. HARKIN. That is right. But again I would point out to change the numbers would be the same as what the sense-of-the-Senate resolution is. It simply would not bind the Finance Committee to do anything. Is that correct, I ask the distinguished chairman of the Budget Committee?

Mr. SASSER. Yes, that is correct. The budget resolution simply sends to the Finance Committee, as the able chairman of the Finance Committee knows as well as I, a number. And then the chairman and his committee fills that revenue number any way that they see fit.

You can make a case that, if a sense-of-the-Senate resolution passes and the Senate goes on record as saying we do not want to raise $750 million over 5 years in inland waterway taxes, then I assume that the chairman and others on the Finance Committee would take that into consideration as they would other things in arriving at the revenue number. And logically you would think the Finance Committee would say: Well, let us look in another direction if we can. Because if we bring our revenue package out with that in it, we are probably going to face a debate on the floor of the Senate over that particular item, and the better part of valor might be to find another way to fill that particular revenue requirement.

But none of this is binding on the distinguished chairman or the Finance Committee. They can do what they wish. And if you did lower the revenue number by $750 million, or whatever this inland waterway tax is supposed to raise—according to my recollection, after CBO got through reestimating it was down to something like $380 million, if I am not mistaken—but if you lowered that number, still that is not binding on the Finance Committee. They can still levy the tax or not levy it. But I would think with a sense-of-the-Senate resolution, if it does pass here, I would expect the distinguished chairman and his committee would take that, along with other factors, into consideration as they arrive at their final package.

Mr. MOYNIHAN. Will the Senator yield for one statement?

Mr. HARKIN. Gladly.

Mr. MOYNIHAN. I think we may have been talking about two different numbers. I think the very able Senator from Iowa was talking about lowering the number, the amount of moneys to be raised by this particular tax. I was talking about the global amount of revenue the Finance Committee is required to raise.

Inadvertently, you and I did lower it already in our exchange. We must make this correction quickly.

You said the number we have is for $254 billion. In a moment of wishful thinking I agreed. It is $294 billion. It is only $50 billion. If that were agreeable to you, I think there would be many persons who would support the measure but I do not think they would include the distinguished members of the Committee on the Budget.

In any event, I see my colleague's point and he has had his answer from the able Senator.

Mr. HARKIN. The numbers of 294 and 254.

Mr. MOYNIHAN. 294—254. We will make history.

Mr. HARKIN. I thank the Senator and thank him for his contributions.

AMENDMENT NO. 181, AS MODIFIED

Mr. HARKIN. Madam President, I ask unanimous consent to add Senator WOFFORD as a cosponsor to the amendment.

Madam President, I ask unanimous consent that in the fourth line of the amendment, the word "does" be changed to "do."

The PRESIDING OFFICER (Mrs. BOXER). Without objection, it is so ordered.

Mr. HARKIN. There was an error in the English language. The amendment, as modified, is as follows:

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

SEC. . SENSE OF THE SENATE REGARDING THE BARGE TAX.

It is the sense of the Senate that the revenue figures set forth in this resolution do not assume an increase in inland barge fuel taxes beyond those increases already scheduled in current law and nothing in this resolution should be considered to assume such a tax or fee.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, the Senator from New York, without exception when he comes to the floor, exercises our imaginations. I greatly appreciate his contribution to the debate on this issue. This Senator may say, if possible, with respect to one comment, perhaps made inadvertently by the Senator from Iowa, that only in the rarefied atmosphere of the U.S. Senate would lowering the amount of revenues required of the Finance Committee be considered adding to the difficulty of the task of that committee. If, in fact, that statement is true, we on this side of the aisle will attempt to make the task of the Senator from New York absolutely impossible by striking all references.

Nevertheless, there is one difference between the sense-of-the-Senate resolution which will now be adopted and the one which will be offered later. Ours will deal with it by lowering the amount of taxes necessary to be raised. This simply requires other taxes to be substituted for it, the ones which are here.

The Senator from New York was also quite eloquent when he talked about the various subterfuges and names we call taxes. I just wanted to share with him, because I do not believe he was here an hour or so ago when the Senator from New Mexico first used this quote from then Governor Clinton of some 4½ years ago in Newsweek:

There is a lot of evidence you can sell people on tax increases if they think it's an investment.

The Senator from Iowa has proven beyond any doubt that this particular tax increase cannot be sold as an investment.

Mr. HARKIN. Madam President, I will check the record. If I did say that I did misspeak. What I meant to point out is it is not binding on it in any way regarding a specific item. If, in fact, the number is lower, it does not bind them in any way to lower the taxes on the fuel.

Mr. MOYNIHAN. Will the Senator yield for one comment?

Mr. HARKIN. I will be delighted to yield.

Mr. MOYNIHAN. I wanted to make a point to my good friend from Washington that it is elementally clear to me that if a tax increase is an investment, it follows it must be a saving.

Mr. GORTON. Madam President, I think on this amendment, at least, we have completed our debate. The Senator from Iowa has. We will be willing to yield back the remainder of our time on this amendment, not of course on the resolution as a whole.

Mr. HARKIN. Madam President, I have an indication that there are a couple other Senators coming to the floor to speak. I have other comments I would like to make.

Mr. GORTON. I withdraw that observation.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, again I want to repeat for the RECORD that this sense-of-the-Senate resolution, I believe, is the strongest signal that we can send to the Finance Committee. If there is a strong vote on this, and the yeas and nays have been requested and there is a sufficient second, then I believe it sends a clear signal to the Finance Committee in coming up with the revenue numbers that if, in fact, they do levy this type of confiscatory tax on the barge industry that there will be a vote on the Senate floor to remove that during voting on the reconciliation bill. So that is why I believe this sense-of-the-Senate resolution is the proper way to go, and I hope we do have a strong vote on it.

To then say, however, we need an amendment after that that would lower the total revenue numbers has no bearing whatsoever on the issue at hand; and that is whether or not we are going to levy this heavy tax burden on the barges. It has no effect on it whatsoever. What it does have an effect on is simply lowering the revenue numbers. That is all.

So I hope people do not misunderstand that. That is a separate issue, separate and aside from whether or not we are going to have a sense-of-the-Senate resolution on the tax itself.

Madam President, I ask unanimous consent that an article appearing in the Commercial Appeal of Memphis, TN, Monday, March 8; an article from the St. Louis Post Dispatch of February 21; an article from the Houston Chronicle of Friday, February 26, an article from the Washington Post of Friday, March 12 be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Memphis (TN) Commercial Appeal, Mar. 8, 1993]

BARGE OWNERS SAY FUEL TAX STINKS

(By Kevin McKenzie and Michael McMullan)

William Sory, owner of Memphis Barge Line Inc., used short, pointed sentences to describe his opinion of a Clinton administration proposal that eventually would raise the fuel tax he pays by 600 percent.

"It stinks," was Sory's initial reaction. "It could put me out, that kind of increase."

His final word: "That's a pretty tough pill to swallow."

Raising the diesel fuel tax paid by inland waterway users from 17 cents a gallon now to $1.19 in four years is part of the economic plan announced by President Clinton Feb. 17.

However, during a television interview in New Orleans last week President Clinton gave towboat operators hope that the huge increase is being reconsidered.

"I think that should be re-examined," Clinton said. "I'm not sure that the way the plan was originally designed, that it was supposed to go up that much. . . . I don't think there was a deliberate attempt to quintuple it."

The proposed fee increase shocked the industry. Those who run companies that tow barges on the Mississippi and other inland rivers say it was the worst news they've heard from the White House since the last time a Democrat was president.

President Jimmy Carter's 15-month embargo on grain sales to the Soviet Union after that nation's invasion of Afghanistan translated into lost business that the barge and towing industry hasn't forgotten. President Ronald Reagan lifted the embargo in April 1981.

"This is kind of like deja vu with the last Democratic president," said Bill Stegbauer, vice president of operations for Memphis-based Southern Towing Co.

The fee increases would be in addition to the Clinton plan to levy a broad-based energy tax, based on the energy content of fuel measured by British Thermal Units (Btus). That energy tax alone would add an additional 8–10 cents a gallon for diesel fuel used by towboats, said Jeffrey Smith, vice president of the The American Waterways Operators, an Arlington, Va.-based trade group representing the industry.

The current 17-cent-a-gallon tax collects only enough to cover half the $430 million spent in 1993 by the Army Corps of Engineers for construction and major rehabilitation of waterways, the Clinton plan said. The fee will rise to 19 cents when the new federal fiscal year begins in October under a previously scheduled increase.

Under the Clinton proposal, the tax hike would collect $820 million in four years. The fee increases would be phased in, beginning with an additional 10 cents this year. Next year, 15 cents would be added, followed by another 20 cents in fiscal 1996. An additional 55 cents, for a total of $1.19, would be added in fiscal 1997, the industry trade group said.

The administration views the increased fees as a replacement for other tax dollars supporting the Corps of Engineers. And, to justify the increase in user fees, the Clinton plan calls the towing and barge industry the nation's most heavily subsidized form of commercial freight transportation.

However, those in the industry contend that others who benefit from waterways don't pay the tax, including farmers who profit from flood control projects and those who use rivers for sport and recreation.

"I wouldn't mind paying my fair share, but the Corps of Engineers maintains the waterways and the locks and dams for three interests—people who use it for commercial interests, flood control and recreation," Stegbauer said.

"Now if we want to put a tax on everybody that goes water skiing in Pickwick Lake, and everybody that goes fishing in the Mississippi River and all the farmers that get flood control protection, then OK," he said.

"If they want us to pay for all of it, then let me have the waterway system. Let my industry take it private and run it and charge all those people," Stegbauer said.

A diesel fuel tax of $1.19 a gallon will put some companies in the industry out of business, owners and industry representatives said. That will accelerate a trend that has seen a loss of small firms and a growing dominance of larger corporations.

The increased cost of shipping by river also would shift traffic to other modes of transportation, particularly railroads. Currently, 15 percent of the nation's freight—including more than half of grain exports, a quarter of the coal and nearly a third of the petroleum products—is transported on inland waterways, the industry's trade group said.

"This is an astronomical tax. Right now the leaders of this industry are getting together to try to see how we can fight for our survival," Smith said. "This makes us an endangered species, no doubt about it."

Sory said his towboat, the Sebring, uses 30,000 to 40,000 gallons of fuel a month pushing barges loaded with petroleum products on the lower Mississippi, Ohio and Cumberland rivers.

He said that with a $1 increase in the user fee, he would be forced to raise his prices to keep his 10-employee company afloat. However, he said he couldn't be sure how much of the cost he could pass along.

"I may try it all, but I don't know how far I'd get," Sory said.

For Southern Towing's fleet of 22 boats, Stegbauer said the company paid $160,000 to $190,000 a quarter for the user fee when it was 15 cents a gallon. The company, which has 280 employees aboard boats and another 20 in Memphis, can't afford to pay several times that amount, he said.

"We don't have that kind of money," Stegbauer said.

"If we can bump half of it to our customers, that will be a major battle," he said.

"The other half will mean that we don't look forward to profits anymore. It's going to wipe us out because, without profits, no one is going to lend you any money. Without money to replace and upgrade equipment, you're not going to continue in business."

TOWBOATS, BARGES WAIT FOR CUTS

President Clinton's economic plan, A Vision of Change for America, views the nation's towboat and barge companies as recipients of government giveaways.

Increasing fees for companies that use inland waterways is one of 41 actions called for in Clinton's plan to eliminate subsidies and charge fees for government services.

"The nation can no longer afford subsidies and giveaways to those who don't need them, and we must assure that the taxpayer is fairly compensated for services or resources provided by the government," the report said.

Here is the text of the paragraph, on page 76, affecting use of the nation's rivers:

"Phase-in increased Inland Waterway user fees. The nation's inland waterways are the most heavily subsidized form of commercial freight transportation. Since the system was constructed for commercial navigation beneficiaries, they should pay for all operation and maintenance costs.

"Existing inland waterway fuel taxes collected on applicable segments of the system only offset half of the Corps of Engineers' cost of construction and major rehabilitation (estimated at $430 million in 1993).

"This proposal would increase the 1994 Federal inland waterway fuel tax from 19 cents to $1.19 per gallon in a series of increasing steps . . . Estimated savings are . . . $820 million over four years."

[From the St. Louis Post-Dispatch, Feb. 21, 1993]

BARGE FIRMS SAY NEW TAX WILL SINK THEM

(By William Flannery)

George P. Foster has one word to describe the Clinton administration's plans for his industry: "Devastating."

"This tax could cost me $1 million a year and I can't pass that along," said Foster, president of Jefferson Barracks Marine Service Inc. and president of the St. Louis Harbor Association.

Among President Bill Clinton's deficit-cutting proposals is one to raise the diesel fuel tax for river barge operators to $1.19 a gallon from the current 18 cents a gallon.

"This is astronomical," said Jeffrey Smith, vice president of the American Waterways Operators trade group in Washington. The increase amounts to more than 500 percent, he noted.

Nor does it stop there.

"The Clinton BTU energy tax will add another 25 cents" a gallon, said Joseph A. Farrell, the group's president. "So, that makes $1.44 in taxes alone; that's more than [twice] the price of the fuel itself."

Foster worries that if the higher fuel costs are passed along many barge operators, grain companies and end customers will simply refuse to pay the higher prices and stop doing business.

"More that 110 million-tons of goods pass through the port of St. Louis each year—including most of the grain exported by the United States," Foster said. "President Clinton wants Americans to be more competitive. How can this help with our grain exports?"

"Barges are the most cost-effective and energy-efficient transport there is," Foster said. "One barge can move what it takes 15 rail cars to do."

Smith added that sinking the barge industry would have a wide-ranging economic impact.

"We transport 15 percent of the nation's goods, including more than half the export grain, a quarter of the coal and—people don't know this—but 30 percent of the petroleum and petroleum products in the nation," Smith said.

Smith said more than 700 towing companies nationwide operate 7,000 towboats and more than 30,000 barges. Most are on the Mississippi, Missouri and Ohio rivers, but some operate along the Atlantic and Gulf coasts.

Currently, Smith said, diesel fuel is about 45 to 50 percent of a barge company's costs.

"Any small- to medium-sized business that is asked to double its operating cost is going to be hurt," Smith said. "The math speaks for itself."

The morning after President Clinton's Wednesday night address to Congress, the White House released a 145-page report, "A Vision of Change."

The report outlined the administration's plans for spending cuts and tax increases designed to reduced the federal deficit.

"The Nation's inland waterways are the most heavily subsidized form of commercial freight transportation," the report states. Commercial users of the rivers "should pay for all operations and maintenance costs," it adds.

The White House report said that existing fuel taxes offset only half of the $430 million a year that the Army Corps of Engineers spends for construction and operations on the nation's navigable riverways.

The report said the new tax could bring $820 million into the federal treasury between 1994 and 1997.

Larry Daily knows where a good part of that money will come from.

"It will cost us about $12 million more a year, since we buy around 12 million gallons of diesel fuel," said Daily, who is with Canal Barge Co. in New Orleans, one of the nation's top 10 barge companies. Canal operates 25 towboats and 600 barges.

Daily said a towboat's fuel consumption "is based on the rough rule of thumb of one gallon per horsepower per day."

Smith said the average towboat on the upper Mississippi River has 4,800-horsepower diesel engines. Below St. Louis, where tows are larger, the average is 10,000 horsepower.

"If you take a 5,000 horsepower boat that burns 5,000 gallons then that's $5,000 added cost a day" due to the higher tax, Daily said.

"If you start with a new 15 barge tow in Minneapolis moving grain to New Orleans, that's a 14-day tow," Smith said. "The new tax could add $70,000 to the trip. That means they are not going to make the trip."

Nor is the proposed federal hike the only fuel tax barge operators must worry about.

"Across the river from you in Illinois, the state has a 6 cents a gallon state fuel tax," Daily said. "So that's in addition to the new tax."

Farrell and Smith said barge operators began complaining to members of Congress about the proposed tax increase. But the fight could be hard, Smith conceded.

"Except for St. Louis, we are a low-profile industry. But you'd think we would be a higher-profile industry in Arkansas," Smith said with a laugh.

[From the Houston Chronicle, Feb. 26, 1993]

BARGE FEE HIKE PROPOSED; CLINTON SEEKING HUGE INCREASE

(By Bill Mintz)

WASHINGTON.—Tucked away inside President Clinton's budget cutting program is a sixfold increase in the fees paid by barge operators carrying everything from gasoline to grain on inland waterways.

One large Houston-based barge operator said the increased levy on diesel fuel would have wiped out the company's profit from barge operations in 1992.

Complaining that the waterways "are the most heavily subsidized form of commercial freight transportation," the administration proposed increasing the user fee from 19 cents per gallon to $1.19 over the next four years.

The money—$460 million per year by 1997—would be used to pay for all of the U.S. Army Corps of Engineers' costs to maintain and operate the waterways.

Because the increased assessment is a "user fee' and not a tax, the Office of Management and Budget scores the money as a savings, so it wasn't listed among the administration's $240 million in tax increases.

The fact that the administration doesn't call the barge operators' fee a tax doesn't reduce the impact on the industry.

The fee, which would more than double the current cost of fuel used to move barges, would raise the cost of transporting many of the nation's important exports—coal, grain and refined petroleum products—and make U.S. goods more expensive than those of foreign competitors, said Mark R. Buese, vice president of Houston-based Kirby Corp., one of the five largest barge companies in the nation and the largest tank barge operator.

Some of the large barge-towing vessels used on the upper Mississippi River use 10,000 gallons of diesel fuel per day said Jeffrey A. Smith, vice president for public affairs for the American Waterways Operators, a trade group.

He said fuel costs represent about 30 percent of some barge operators' costs, and the proposed fee would double those costs.

Buese said fuel is about 15 percent of the costs for Kirby's fleet of inland barges.

He said the tax would cost Kirby about $18 million per year, compared with 1992 pretax operating profits from barge operations of about $17 million.

The increased fee was proposed by both the Reagan and Bush administration as an element to reduce the federal budget deficit. But, like many user fee proposals, it was not adopted by Congress.

Sen. Bennett Johnston, D-La., said at a Wednesday committee hearing that the proposed fee would drive most shippers to use trucks rather than barges, which would require the country to use more fuel.

Because the administration doesn't consider the barge operators fee to be a tax, it wasn't mentioned in the 71-page explanation of Clinton's tax plan released by the Treasury Department Thursday.

The long-awaited Treasury publication didn't clear up one question worrying natural gas producers and pipeline companies: Where will the government try to collect the proposed energy tax?

Treasury said the energy tax will be collected at the pipeline, but it didn't say whether that means the producers' end of the pipeline or the consumers' end. The gas industry wants the tax collected as close to the consumer as possible to make sure the industry doesn't have to absorb the cost.

[From the Washington Post, Mar. 12, 1993]

PUTTING THE BITE ON THE BARGE BUSINESS

(By Don Phillips)

While many industries are counting the effect of President Clinton's planned energy tax in pennies per gallon, the nation's barge companies have been blindsided by the proposal for a fuel tax increase of $1 per gallon—a more than fivefold boost.

Even if the tax rises by less than $1, as now seems likely, the levy would dramatically raise costs for one of the most important parts of the nation's freight transportation network.

As proposed, it would add $420 million in taxes for operators on the inland waterway—more than their current pretax profits.

"It doesn't give you the warm fuzzies that anybody could survive that kind of impact," said Michael Hagen, president of American Commercial Barge Line Co. of Jeffersonville, Ind.

Whatever becomes of the tax, its origins have provided the industry with a glimpse of the curious way that Washington sometimes works.

The 1,800 companies that run barge lines or service them are mystified by the manner in which the tax was proposed, and they are not the only ones.

A consensus is growing that the idea was almost an accident—perhaps brought about by the newly easy flow of ideas between a Democratic White House and a Democratic Congress.

Among the ideas Clinton considered were those brought up by the Congressional Budget Office, among them the May 1992 CBO study, "Paying for Highways, Airways and Waterways: How Can Users Be Charged?"

The CBO study noted that current barge fuel taxes—17 cents per gallon and soon to go to 19 cents—pay less than 10 percent of the government's cost of maintaining navigation on the rivers and canals that form a web through the central and eastern United States.

"The substantial imbalance between costs and user taxes . . . suggests that it is desirable to explore ways of placing a larger share of the burden on the users," said the report.

"I have a feeling they just took it out of the CBO book," said Dawn Erlandson, a lobbyist for the environmental group Friends of the Earth.

Barry Toiv, a spokesman for the White House Office of Management and Budget, which put together the administration's proposed budget package, said he didn't know the genesis of the barge tax, but it is possible that the idea came from a CBO document.

"That would have been enough to gain consideration," he said.

Clinton himself has suggested that the proposed tax was not supposed to have been that stiff.

"I'm not sure that the way that the structure, the plan, was originally designed, that

it was supposed to go up that much," Clinton told an interviewer with WWL-TV in New Orleans. "I think that should be reexamined," he added.

The proposal shocked the barge industry.

It was as if a battle that raged more than a decade ago over fuel taxes and government waterway construction—which the industry thought it had won—had flared again when it turned its back.

The prime natural suspects as the instigators where the waterway industry's main competitors—the railroads—or perhaps environmentalists.

They were allies in a major battle over expansion of Locks & Dam 26 at Alton, Ill., on the Mississippi River in the 1970s and 1980s, and over earlier proposals for higher taxes or user fees on barge lines.

But it appears that economics, like politics, can make strange bedfellows.

While railroads once were certain to support any proposal that would raise the barge industry's costs, they have now fallen silent over the tax proposal, which, if enacted, would be a great and unexpected triumph.

Railroad companies seem almost embarrassed at the barge companies' bad fortune and seem confused as to what position to take.

"I really think that when our people saw the numbers, they knew something had gone wrong here," said Thomas Hoppin, a spokesman for CSX Corp. in Richmond, whose main business is railroading. "I don't believe there was any celebration in the railroad industry."

Part of the reason for Hoppin's lack of joy is that CSX owns American Commercial Barge Line Co.

But it goes deeper than that.

In the days since the great Locks & Dam 26 battle, railroads and barges have begun cooperating in a major way. This is the era of what government and industry are calling "intermodalism."

Fully 50 percent of the coal shipped in barges arrives at the dock by train, and sometimes even goes back to rail cars before completing its journey.

Coal from Wyoming's Powder River Basin might go by rail to Superior, Wis., across the Great Lakes by lake boat, back to a train to the Ohio River and then to a barge to the customer.

"The two industries, like the railroads and the trucking industry, have found a lot of common ground," Hoppin said.

If it wasn't the railroads, was it the environmentalists? Apparently not.

Erlandson, of Friends of the Earth, who has been active in trying to shape the Clinton program, said she has no idea who is lobbying for the tax proposal. "I don't know anyone in the environmental community who's pushing it," she said.

A spokesman for the White House Office of Environmental Policy said the office had no idea why the OMB included the tax.

"We assume it's just one of those good government user-fee things," the spokesman said.

Wherever it came from, the tax debate has loosed a genie that barge companies may find hard to control.

Joseph A. Farrell, president of the American Waterways Operators, said a $1 tax increase would be "catastrophic."

He said the industry is already operating at slim margins, and such a tax quickly would dry up some U.S. exports such as grain, because the extra cost of transportation would make them uncompetitive.

Hagen of American Commercial Barge Lines estimated his tax bill would rise by at least $70 million, about $20 million more than his yearly pretax earnings.

Mr. HARKIN. Madam President, I also ask unanimous consent that a letter transmitted to this Senator from the Agricultural Retailers Association, the American Corn Millers Association, the American Feed Industry Association, the American Soybean Association, the National Agricultural Chemicals Association, the National Association of Wheat Growers, the National Barley Growers Association, the National Corn Growers Association, the National Farmers Organization, the National Grain and Feed Association, the National Oil Seed Processors Association, the Terminal Elevator Grain Merchants Association and the Fertilizer Institute be printed in the RECORD.

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

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: We, the undersigned agricultural and agribusiness organizations, respectfully urge you to reject the proposed 525% increase in the Inland Waterways Fuel Tax contained in the Administration's economic proposal. We believe this tax increase is neither fair nor well-reasoned. It will mean lost jobs, lost exports, and lost farm income at a time when we can ill afford any such losses.

Agriculture relies heavily on barge transportation. Agricultural products comprise nearly 35% of all products moved on inland waterways, and over half of all export grain moves by barge. A conservative estimate is that the cost of barging grain would increase about $.10/bushel, in addition to the $.10/gallon BTU tax that has been proposed. Fuel costs of a typical barge movement on the Mississippi River would increase by $70,000! Our comprehensive inland waterways system provides U.S. agriculture with a great competitive advantage over other countries, but this tax would put our export competitiveness at risk.

Some say that commercial users of the inland waterways system should pay all construction and maintenance costs. The fact is that the river system has been improved for many other reasons, including flood control, water supply, and hydropower. Many communities up and down America's rivers benefit from such public investment.

This proposal also works at cross-purposes with the Administration's environmental objectives. Barge transportation uses less fuel per ton-mile, creates less air and noise pollution, uses less steel and other materials per unit of cargo-carrying capacity, and claims a superior safety record in petroleum and hazardous material movements.

Perhaps worst of all, increased transportation costs brought on by this tax would be passed directly to U.S. farmers. A 1985 study by the Department of Agriculture projected that 70% of such costs are borne by producers. Our projections show potential farm income losses of up to $431 million annually, just in states bordering inland waterways. The economic ripple effects would surely be felt by all of agriculture in disruptions of transportation patterns and higher costs for other shipping modes. Consequently, farmers' prices would be driven down, and their costs for inputs like fertilizer would be driven up. Federal budget outlays would also increase through larger deficiency payments brought on by lower market prices, a cost not accounted for in the Administration's revenue projections.

We believe that a 525% increase in the inland waterways fuel tax, on top of other sacrifices U.S. agriculture has been asked to make, goes well beyond a fair contribution, and we urge your opposition to the increase.

If you have any questions or need additional information, please contact Todd Kemp or David Barrett at the National Grain and Feed Association at (202) 289-0873.

Agricultural Retailers Association.
American Corn Millers Federation.
American Feed Industry Association.
American Soybean Association.
National Agricultural Chemicals Association.
National Association of Wheat Growers.
National Barley Growers Association.
National Corn Growers Association.
National Farmers Organization.
National Grain and Feed Association.
National Oilseed Processors Association.
Terminal Elevator Grain Merchants Association.
The Fertilizer Institute.

Mr. HARKIN. Madam President, I just want to quote from the Commercial Appeal of March 8:

William Sory, owner of Memphis Barge Line, Inc., used short, pointed sentences to describe his opinion of a Clinton administration proposal that eventually would raise the fuel tax he pays by 600 percent.

Actually, it is slightly less than that, 525 percent, but still enormous.

He said:

"It stinks," was Sory's initial reaction. "It could put me out, that kind of increase."

It went on to say:

However, during a television interview in New Orleans last week, President Clinton gave towboat operators hope that the huge increase is being reconsidered.

"I think that should be re-examined," Clinton said. "I'm not sure that the way the plan was originally designed, that it was supposed to go up that much. * * * I don't think there was a deliberate attempt to quintuple it."

I already mentioned that on the floor, but I wanted to repeat that because I believe our actions with this sense-of-the-Senate resolution really not only is in the best interest of the country but I think is something that the administration will, after full consideration, I think be supportive of in terms of ensuring we do not levy this kind of confiscatory tax on the barge industry of America.

Mr. SASSER. Will the Senator yield?

Mr. HARKIN. I yield to the distinguished chairman.

Mr. SASSER. I thank the Senator from Iowa for yielding.

Madam President, I want to make it crystal clear what I was saying a moment ago in the exchange between myself and the Senator from New York and the Senator from Iowa.

The adoption of the sense-of-the-Senate resolution of the Senator from Iowa, of course, is not binding on the Finance Committee. It would be made no more binding on the Finance Com-

mittee if we changed the number and simply deleted the amount that an inland waterway fee would raise.

A budget resolution simply sends to the committees of competent jurisdiction large numbers in which the committees of competent jurisdiction will conform policy or bills in their committees to conform with the budget resolution.

The thrust of the sense-of-the-Senate resolution of the Senator from Iowa, should it be adopted, I think, would be this: It would send a signal to the Finance Committee that the Senate as a whole does not look favorably on raising the inland waterway tax pursuant to the assumption in the Clinton budget plan as modified by the Senate.

It would send a signal to the Finance Committee that should they raise the inland waterway fees to the level to fulfill the number to conform to the assumption in the Clinton budget as modified, any bill bringing that to the floor would be subject to debate on the floor and probably an amendment to delete that tax would carry on the Senate floor.

Now, that in essence is the sense-of-the-Senate resolution. It simply sends a signal to the Finance Committee that you ought to look in another direction to raise the revenues, if at all possible, so as to avoid a possible amendment on the floor that would amend your bill and delete this particular portion. It is simply a yellow light, so to speak, to the Finance Committee, or a yellow light to any other committee of competent jurisdiction. So I wanted to make that very clear, that there is some substance.

The sense-of-the-Senate resolution here does carry a substantial amount of substance behind it—I wanted to make that clear—even though it is not totally binding.

Mr. HARKIN. If the distinguished chairman will yield, again, there is really nothing we can do here that absolutely binds anybody.

Mr. SASSER. The Senator is correct.

Mr. HARKIN. We cannot bind anybody. All we can do is speak, and we can take a vote, and we can indicate to the Finance Committee or anybody else what we would like to do.

Again, I think this sense-of-the-Senate resolution would send a strong signal to the Finance Committee that, if they proceeded with some such, there would probably be another vote on reconciliation on that very issue to take it out. So we cannot bind anybody regardless of what anyone wants to do, but I think, as the Senator says, it is substantive and sends a very strong signal to the Finance Committee of what this body wants done in the revenue measures that they send down. That would probably be in reconciliation, I assume.

Mr. DOMENICI. Does the Senator want to yield back time so we can vote?

Mr. HARKIN. If the Senator would not mind if I put in a quorum call for 5 minutes to see if these people are coming over or not, I would appreciate it.

Mr. DOMENICI. Madam President, we have how much time on our side?

The PRESIDING OFFICER. The minority side has 32 minutes.

Mr. HARKIN. How much time do we have, Madam President?

The PRESIDING OFFICER. The majority side has 6 minutes and 54 seconds.

Mr. DOMENICI. What would the Senator like to do? We are prepared to yield our 32 minutes back and get on with a vote.

Mr. HARKIN. If the Senator will hold just 1 minute on this.

Mr. DOMENICI. OK. I will speak for a couple minutes, and we will wait for the Senator. We would very much like to move to a vote, but the Senator has his rights, and I understand and recognize that.

Madam President, I am not sure that very many people, even the best of Americans, are interested in this argument that has been taking place the last half-hour. But it does point up a couple of things. When the majority side does not like something in the plan, they just say it is the sense of the Senate that we ought not do that, but they leave the plan otherwise alone, including all the taxes that plan brings, and they leave the impression that you can really pick and choose anything you want in this budget and be for or against it and still have a plan.

To the extent they have said, "Where is your plan?"—and we are going to offer our plan in five or six pieces—it is rather interesting because there either is or is not a plan and it is or is not built around a series of policy changes. The President has advocated them and said if anybody can do better, why do they not try.

So I tell you what would be more effective than the resolution, which we are all going to vote for on this side, what would be much more binding would be to take out the taxes dollar for dollar that represent this barge tax and cut spending $780 million. That would not be much. We are actually increasing it $124 billion, so take out a little bit of that increase and say there is no revenue left in this bill for the barge tax. Then the other side could say, well, that is not binding. But I will tell you, it sends a very nice signal to the Finance Committee, and it is no yellow light. It is a red light. It says we did not even give you the revenues for that barge tax. They are not even in there. How in the world could they use it then even though we did not ask them and we did not give them the money?

Ms. MOSELEY-BRAUN. Madam President, one of the main principles that underlies the President's economic proposals is equity. I believe that it is this same commitment to equitable economic policies that has led the President to reconsider the proposal for a new fuel tax for inland waterway users.

As it now stands, it is possible that waterway user fees could increase sixfold from $0.19 to $1.19. Yet, this increase could occur even though this fee is already scheduled to increase from 16 to 19 cents.

After meeting with President Clinton, I believe that he fully understands the adverse affects that this new tax can have on the inland waterway industry.

At this point, Madam President, I would like to highlight some of the reasons why I am cosponsoring this amendment with Senator HARKIN. Most importantly, I believe that this new tax would be unfair to the inland waterway industry since it could capture up to 20 percent of their revenues. Although this proposal would raise diesel fuel taxes incrementally over the next 4 years, this proposal would still create $820 million in new taxes for tow boat operators over that period.

Madam President, I would also like to highlight the fact that this increase in fuel taxes for barges will be on top of the 8- to 10-cent-per-gallon tax increase that will result from the imposition of the Btu tax. Futhermore, since more than 50 percent of grain exports are transported on inland waterways, much of the cost of an increase in this tax would be transferred to farmers and coal producers—perhaps by 9 cents a bushel or even more. In fact, this new tax could increase the cost of a typical 14-day trip carrying grain, corn, or soybeans from Minneapolis to New Orleans by as much as $70,000.

Finally, Madam President I would like to point out that this issue is very important to the people of my State. Illinois makes extensive use of both the Illinois and Mississippi Rivers and no State makes more use of our inland waterway system than my State does. That is why I believe that these cost increases are so severe that, if they were to be imposed, they could destroy the inland waterway system.

I would like to thank the distinguised Democratic manager of the resolution, Senator SASSER, for agreeing to support the amendment. I am pleased to be a cosponsor of this amendment offered by my warm friend from Iowa, Senator HARKIN. I strongly urge all of my colleagues to support this important amendment.

Mr. CRAIG. Mr. President, I strongly support the amendment offered by Senator HARKIN. We can not afford to shut down the inland water commerce of this Nation by leveling an additional tax on inland waterway commerce that would drastically increase the cost of transporting the vital commodities that move by ship and barge across this great Nation.

I encourage my colleagues to vote "yes" on this important amendment.

Mr. DOMENICI. Madam President, I am ready to vote if the Senator is ready. Is the Senator ready?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Yes, we are ready to yield back all of our time.

Mr. DOMENICI. We yield back all our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 88, nays 12, as follows:

[Rollcall Vote No. 39 Leg.]

YEAS—88

Akaka	Faircloth	McCain
Baucus	Feinstein	McConnell
Bennett	Ford	Metzenbaum
Biden	Glenn	Mikulski
Bingaman	Gorton	Mitchell
Bond	Gramm	Moseley-Braun
Boren	Grassley	Murkowski
Boxer	Gregg	Murray
Breaux	Harkin	Nickles
Brown	Hatch	Nunn
Bryan	Hatfield	Packwood
Bumpers	Heflin	Pell
Burns	Helms	Pressler
Byrd	Hollings	Pryor
Campbell	Inouye	Riegle
Coats	Jeffords	Sarbanes
Cochran	Johnston	Sasser
Cohen	Kassebaum	Shelby
Conrad	Kempthorne	Simon
Coverdell	Kennedy	Simpson
Craig	Kerrey	Smith
D'Amato	Kohl	Specter
Danforth	Krueger	Stevens
Daschle	Leahy	Thurmond
Dodd	Levin	Wallop
Dole	Lieberman	Warner
Domenici	Lott	Wellstone
Dorgan	Lugar	Wofford
Durenberger	Mack	
Exon	Mathews	

NAYS—12

Bradley	Graham	Reid
Chafee	Kerry	Robb
DeConcini	Lautenberg	Rockefeller
Feingold	Moynihan	Roth

So the amendment (No. 181), as modified, was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 182

(Purpose: To eliminate the energy tax and offset lost revenues by reducing spending increases)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. SHELBY, Mr. DOMENICI, Mr. WALLOP, Mr. PACKWOOD, Mr. MURKOWSKI, Mr. LOTT, Mr. BOND, Mr. BROWN, Mr. SMITH, Mr. GREGG, Mr. BURNS, Mr. MCCONNELL, Mr. FAIRCLOTH, Mr. PRESSLER, Mr. HELMS, Mr. KEMPTHORNE, Mr. BENNETT, Mr. HATCH, Mr. THURMOND, Mr. GRAMM, Mr. LUGAR, Mr. CRAIG, Mr. COATS, Mr. COVERDELL, Mr. D'AMATO, Mr. MCCAIN, Mr. STEVENS, Mr. ROTH, Mr. SIMPSON, Mr. DOLE, Mr. HATFIELD, and Mr. GRASSLEY, proposes an amendment numbered 182.

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

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

The amendment is as follows:

On page 2, line 18, decrease the amount by $952,000,000.

On page 2, line 19, decrease the amount by $9,438,000,000.

On page 3, line 2, decrease the amount by $17,007,000,000.

On page 3, line 4, decrease the amount by $22,127,000,000.

On page 3, line 6, decrease the amount by $23,458,000,000.

On page 3, line 10, decrease the amount by $952,000,000.

On page 3, line 11, decrease the amount by $9,438,000,000.

On page 3, line 12, decrease the amount by $17,007,000,000.

On page 3, line 13, decrease the amount by $22,127,000,000.

On page 3, line 14, decrease the amount by $23,458,000,000.

On page 4, line 6, decrease the amount by $952,000,000.

On page 4, line 7, decrease the amount by $9,438,000,000.

On page 4, line 8, decrease the amount by $17,007,000,000.

On page 4, line 9, decrease the amount by $22,127,000,000.

On page 4, line 11, decrease the amount by $23,458,000,000.

On page 4, line 15, decrease the amount by $952,000,000.

On page 4, line 16, decrease the amount by $9,438,000,000.

On page 4, line 17, decrease the amount by $17,007,000,000.

On page 4, line 18, decrease the amount by $22,127,000,000.

On page 4, line 19, decrease the amount by $23,458,000,000.

On page 5, line 1, decrease the amount by $952,000,000.

On page 5, line 2, decrease the amount by $9,438,000,000.

On page 5, line 3, decrease the amount by $17,007,000,000.

On page 5, line 4, decrease the amount by $22,127,000,000.

On page 5, line 5, decrease the amount by $23,458,000,000.

On page 5, line 11, decrease the amount by $952,000,000.

On page 5, line 12, decrease the amount by $9,438,000,000.

On page 5, line 13, decrease the amount by $17,007,000,000.

On page 5, line 14, decrease the amount by $22,127,000,000.

On page 5, line 15, decrease the amount by $23,458,000,000.

On page 5, line 22, decrease the amount by $952,000,000.

On page 5, line 23, decrease the amount by $9,438,000,000.

On page 5, line 24, decrease the amount by $17,007,000,000.

On page 5, line 25, decrease the amount by $22,127,000,000.

On page 6, line 1, decrease the amount by $23,458,000,000.

On page 6, line 7, decrease the amount by $952,000,000.

On page 6, line 8, decrease the amount by $9,438,000,000.

On page 6, line 9, decrease the amount by $17,007,000,000.

On page 6, line 10, decrease the amount by $22,127,000,000.

On page 6, line 11, decrease the amount by $23,458,000,000.

On page 41, line 17, decrease the amount by $952,000,000.

On page 41, line 18, decrease the amount by $952,000,000.

On page 41, line 24, decrease the amount by $9,438,000,000.

On page 41, line 25, decrease the amount by $9,438,000,000.

On page 42, line 6, decrease the amount by $17,007,000,000.

On page 42, line 7, decrease the amount by $17,007,000,000.

On page 42, line 13, decrease the amount by $22,127,000,000.

On page 42, line 14, decrease the amount by $22,127,000,000.

On page 42, line 20, decrease the amount by $23,458,000,000.

On page 42, line 21, decrease the amount by $23,458,000,000.

On page 50, line 9, decrease the amount by $952,000,000.

On page 50, line 10, decrease the amount by $72,982,000,000.

On page 57, line 18, decrease the amount by $952,000,000.

On page 57, line 19, decrease the amount by $72,982,000,000.

Mr. NICKLES. Madam President, the amendment that I send to the desk today is on behalf of myself, Senator SHELBY, Senator DOMENICI, Senator WALLOP, Senator PACKWOOD, Senator MURKOWSKI, Senator LOTT, Senator BOND, Senator BROWN, Senator SMITH, Senator GREGG, Senator BURNS, Senator MCCONNELL, Senator FAIRCLOTH, Senator PRESSLER, Senator HELMS, Senator KEMPTHORNE, Senator BENNETT, Senator HATCH, Senator THURMOND, and Senator GRAMM of Texas, who has been a leader in this effort, along with Senator DOMENICI in the Budget Committee. I add Senator GRASSLEY, as well, on the Budget Committee, who helped us. I also thank the other cosponsors, Senator LUGAR, Senator CRAIG, Senator COATS, Senator COVERDELL, Senator D'AMATO, Senator MCCAIN, Senator STEVENS, Senator ROTH, Senator SIMPSON, Senator DOLE, and Senator HATFIELD.

I thank my colleagues for cosponsoring this amendment. This amendment is very simple.

This amendment will eliminate the so-called energy tax or Btu tax. That is $73 billion in new taxes in this resolution. This amendment also will eliminate $73 billion in new spending.

What we will be saying by adopting this amendment is we do not want to be increasing taxes on everybody in America, because everybody in America uses energy. We do not want to be increasing everybody's energy taxes in order to pay for $73 billion of new spending. That is the amendment. That is it. That is plain. That is simple.

This amendment is what is referred to as "deficit neutral." It cuts taxes and it cuts spending by an equal amount. I think it will save the economy, because this tax that we are now proposing, President Clinton's so-called Btu tax, would have a large negative impact on the economy. It would cost jobs. We might call the Btu tax the unemployment tax because the net result of this tax would be to put a lot of people out of work, hundreds of thousands of people out of work.

Madam President, first, I think it is important that we hold elected officials accountable and also hold them accountable for what they say as candidates. I would just read to you a quote from candidate Clinton. Candidate Clinton said, "I will not raise taxes on the middle class to pay for these programs." That is what he said as a candidate, he will not raise taxes to pay for these programs. The facts are he is raising taxes on all Americans to pay for these programs.

I also mentioned that as a candidate, Mr. Clinton said that he would oppose excise taxes, especially gasoline taxes. He mentioned that in his book. He mentioned it on the campaign trail many times "I am opposed to a gasoline tax increase." But the facts are his Btu tax increases gasoline taxes by 8 cents or more per gallon, it increases diesel tax by more than 8 cents, and it increases aviation fuel by probably well more than 8 cents.

So again I think we need to hold President Clinton accountable for what candidate Clinton said.

During the State of the Union speech, President Clinton said that this energy tax would cost a family of four $204 per year. That is not correct. His Energy Secretary now says that is over $320 per year. And other sources say, well, even that is an underestimate. The full costs will be well over $400 per year for a family of four. We are talking about middle-income families who are going to see their taxes go up collectively by hundreds of millions of dollars.

Madam President, we can solve that. We can eliminate that problem. We can hold President Clinton accountable to candidate Clinton and not increase this tax, and in the process we can save many, many jobs.

The National Association of Manufacturers estimates that the Btu tax would cost over 600,000 jobs. I think it is important we have talked about the economy—and I have seen my friends hold up charts talking about what we need to do to stimulate the economy.

What we do not need to do is pass a tax increase that will put hundreds of thousands of people out of work, and that is exactly what this tax will do. So we need to eliminate this tax.

You might say where does it cost the jobs? I can give you any number of examples. But just in today's Wall Street Journal, there was a report that American Airlines is grounding 25 DC-10's and cutting capacity by 3 percent this year.

Madam President, I will mention American Airlines is a big employer in my State, and I know it is a big employer in the State of Texas. Last year, American Airlines lost $975 million. This Btu tax will cost American Airlines anywhere from $160 million a year to $300 million per year, and they cannot pass it on. I will tell the Senator from Alabama they are already losing money.

So it is not a question of passing on this new tax. If they could pass it on, they would not have lost as much money that they lost last year. So the Btu tax will cost more jobs.

I can go through industry by industry. Agriculture is another example. I will touch on another example. I note the Presiding Officer is from the State of California. In California, a farmer who has a 1,200-acre farm, 600 in tomatoes, the estimated increase cost of this tax is $3,486. I say to the Senator from Kansas, close to my State, a farmer with 2,100 acres of corn, soybeans, millet, and wheat with no livestock would be $1,500 and with 3,000 acres, one-third irrigated corn, oats, alfalfa, the cost would end up to be $2,816. That is direct, out-of-pocket expense. That does not include the cost of fertilizer and everything else that would go up as a direct result of the higher cost of energy.

I could give countless examples. But I would just tell the Presiding Officer and my colleagues that this tax is very punitive. It will hit a lot of industries. It will hit the aviation industry particularly hard. The aviation industry estimates the Btu tax will cost between $1.2 billion to over $2 billion per year. The aviation industry in the last 3 years lost $10 billion. There are a lot of other industries that also cannot pass this tax on. There are a lot of industries that will lose jobs as a direct result of this tax.

Finally, Madam President, I want to mention how distorted this tax really is. The Treasury estimates that this tax would raise $95 billion. They have to raise $95 billion to net the so-called $71.4 billion. I might mention our amendment says $73 billion, because that is the way the Congressional Budget Office scored it at, $73 billion. But when you consider the dynamic impact on the economy, in other words, how many people will lose their jobs, how much lower taxable profits will be, how much inflation will increase Federal COLA's, how much more it is going to cost the military and so on, the net result is the Federal Government is only going to end up with about $38 billion even though they raise gross revenue of about $95 billion. You say, "Well, that is $38 billion, we are going to reduce deficit by $38 billion." That is not correct, because under this proposal, under the President's proposal, to help cushion the blow of this big energy tax, the President proposed increasing low-income energy assistance $2.9 billion. He proposed increasing food stamps $12 billion and he proposed increasing the earned income tax credit $26.8 billion. That is a total of $42 billion in new spending tied to this Btu tax proposal.

So the net result of the President's proposal is that it will raise $38 billion but it will cost $42 billion.

This tax is a loser. It is not going to raise net money to the Government because we are going to more than spend that, but the real facts are it is going to put hundreds of thousands of people out of work.

I do not think we can afford to do that. I do not think we should be increasing gasoline tax by 8 cents or more. I do not think we should be raising all the utility bills in this country by 4 or 5 percent. I do not think we should be telling major industries you are going to try to compete internationally, but we are sorry, this may stop your ability to be able to sell your exports. I do not think we should mislead ourselves about this tax's ability to decrease the deficit. I do not think we should suffocate the economy. That is exactly what this tax will do.

I urge my colleagues to support this amendment. This amendment will eliminate the Btu tax and eliminate the comparable amount of spending, that is, $73 billion. We reduced the taxes $73 billion and we reduce spending by $73 billion, and I certainly hope my colleague will agree. I note my colleague, Senator SHELBY, is on the floor and I appreciate his cosponsorship of this amendment.

I yield the floor.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield time to the Senator?

Mr. NICKLES. I yield the Senator from Alabama 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SHELBY. Madam President, I rise today in support of the Nickles-Shelby amendment that the distinguished Senator from Oklahoma has been talking about that will basically eliminate President Clinton's energy tax.

Madam President, I, along with many of my colleagues, have expressed general concerns about the weight given to tax increases over spending cuts in the President's budget proposal. Tax increases outnumber cuts by a ratio of at least 3 to 1. Along with other tax increases, I continue to have a deep reservation about the impact of the Btu tax on both my State's and the country's economy.

I believe that all of us are committed to deficit reduction and, yes, we have

some very tough choices to make, as we are reminded day by day. The American public has been asked to make some sacrifices, and I believe that a great many, the overwhelming number of our citizens, are willing to do that.

However, a broad-based, permanent energy tax I believe is not the path that we should take to deficit reduction, particularly in light of the fact that the projected revenues from a Btu tax would be totally consumed in what the administration calls new "investment and stimulus programs." In other words, new spending programs. Deletion of that spending makes $124 billion in taxes irrelevant to the President's plan.

The administration has asserted that the energy tax will ultimately improve our nation's competitiveness through increased energy efficiency. In addition, reduced national consumption of fossil fuels is a stated objective for the tax. The question that we must confront as we debate this tax is at what cost will we approach these goals. I believe that the establishment of an indexed Btu tax will have a major economic and competitive impact on this nation making the cost far too high.

A Btu tax will result in increased energy costs for manufactured goods. These increased costs will negatively impact our competitiveness with foreign manufactured goods, in both domestic and foreign markets. Many U.S. manufacturers will be forced to shift production to other countries with more affordable energy. And the chain reaction begins.

For example, consumers purchase fewer domestically produced goods, but purchase more goods produced abroad because they will be cheaper.

Foreign production and jobs increase, at the expense of domestic production and jobs.

Some of our most competitive energy intensive industries, such as lumber, agriculture, and petrochemicals, which account for a significant portion of U.S. exports to other countries, would be at a disadvantage.

A study done by the National Association of Manufacturers found that a Btu tax would cause a loss of nearly 600,000 jobs. It has also been estimated that a 10 cent increase in the taxes on gasoline could reduce GNP by three- to four-tenths of a percent over the period of the increase. Quite a lot of money.

The United States enjoys the privilege of being the world's leading exporter. However, a Btu tax could seriously jeopardize that status.

Our citizens are being asked to contribute their fair share toward deficit reduction. The Btu tax is anything but fair.

This energy tax is regressive and will hurt low- and middle-income Americans the most. These individuals, many of them elderly, already spend more of their budgets to pay for necessary service than does the average American family. Because so much of their income is spent on home energy, these households would be severely impacted by an increase brought on by an energy tax. This is particularly true in States with energy intensive industries.

Some regions and States will be paying far more than others. My home State of Alabama is among them.

Sixty-eight percent of Alabama's electricity generation is from coal. A Btu tax will have a serious impact on the coal industry in Alabama and elsewhere. We are looking at a 26-percent rise in the price of Alabama coal at full implementation of the Btu tax. This cost is ultimately passed on to the consumer and reduces coal's attractiveness as an energy source.

This does not bode well for the 6,200 employees in the Alabama coal industry who produce over a billion dollars worth of coal per year. This 26-percent rise in the price of coal will result in an 18-percent increase for electric bills in Alabama.

In Alabama alone, the proposed Btu tax will cost about $140 per person, or $584 million per year. This number does not even include fertilizer costs to our State's agricultural industry.

Also, Alabama exports about 25 percent of its coal. Consequently, I am concerned about the effects of the Btu tax with regard to GATT regulations. The mechanisms to offset the cost to exporters would potentially open them up to GATT sanctions.

Alabama is just one State in the Southeastern region that will be bearing a disproportionate tax burden.

The average cost of the Btu tax per year for a household of four in the Southeast is $507.

In the Southwest, that same family will pay as much as $652.

Families in the Mid-Atlantic will pay around $390; Rocky Mountain States $409; Plains States, $466; far Western States, $439; the Great Lakes, $446; and New England $405.

States like Alaska would average as much as $1,521 a year for a four-person household; Wyoming, $1,167; Louisiana, $1,090, and Texas, $738.

This is not the only area where inequities are created by the Btu tax. This Btu tax would tax oil at more than double the rate for coal or natural gas. The cost of gasoline, which is already on the rise, would increase by 10 cents or more. Home heating fuels and all other petroleum products will increase in price.

While I am supportive of efforts to curtail our Nation's dangerous dependence on foreign oil, it is important to recognize that the oil industry continues to play a vital role in the stability of the U.S. economy.

Oil meets 97 percent of the Nation's transportation fuel needs and supplies 41 percent of the Nation's energy needs. Oil remains a low-cost and flexible energy source. Singling out the oil industry to bear the heaviest tax burden will certainly have an adverse impact on the economy.

Madam President, many States are already suffering from depressed energy and agricultural prices. The proposed Btu tax increases the prices on a number of fertilizers that are the basic food-producing tools employed by farmers by as much as $9 per acre.

That may not sound like much on the surface, but look at the end result:

A typical corn farmer would see his expenses increased by $5,519 per year; wheat farmer's expenses will be increased by $4,515; cotton farmers expenses will increase by as much as $30,310; rice farmers expenses will increase by as much as $6,816; and potato farmers expenses will increase by as much as $15,416.

Farmers are already paying taxes on the energy used on the farm for activities such as grain drying, irrigation pumps, storage facilities, and vehicles. Congress has always recognized the critical relationship between the agricultural sector and its enormous and invaluable contribution to our Nation's economic well-being. We must continue to recognize this relationship and not place a direct and heavy burden on the American farmer, as would this proposed energy tax.

Madam President, in light of our Nation's massive Federal deficit, we know that we must come up with creative solutions for an economically secure future and I am willing to work with the administration and my other colleagues to that end.

However, we all know that much like a spending program, once we create a tax, we have a difficult time controlling its growth and its effects. I do not want us to walk blindly into a tax that could have severe repercussions for our energy industries, our consumers and our economy.

I believe that deficit reduction should be our number one priority. The bottom line is that we have to close this gap between incoming Federal revenue and outgoing Federal spending.

Federal spending continues to rise more than twice the rate of revenue. We must reduce spending. That is where our investment should be—in reduced spending. This amendment is 73 billion steps in the right direction.

The Btu tax is rendered absolutely unnecessary if we do not engage in new spending. I hope that my colleagues will join me in voting for this important amendment.

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

Mr. NICKLES. Mr. President, I hope that we would have those in opposition also speak in opposition, so we could enter into a little debate on this amendment.

I yield the floor.

Mr. SASSER. Mr. President, I see the distinguished Senator from Louisiana, who wishes to speak in opposition to the amendment, on the floor. I yield 10 minutes to the distinguished Senator.

Mr. NICKLES. Will the Senator yield?

Mr. BREAUX. Yes.

Mr. NICKLES. Mr. President, I ask unanimous consent to add Senator ROTH and Senator HATFIELD as cosponsors.

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

Mr. BREAUX. Mr. President, I would like to state up front I do not like any taxes. I do not like any taxes in the President's budget. I do not like any taxes in the Budget Committee's proposal. But that is not the real question, what we like. Because we are long past being able to do what we like in this body if we are going to be serious about solving this Nation's deficit and long-term debt problem.

When I was in the House, the other body, when President Reagan was reelected, it was really fun, it was easy, it was great. President Reagan essentially asked us to do two things. He said cut taxes and spend more money. That was fun and that was easy to do. There were very few Members who objected to cutting taxes.

We cut taxes dramatically. The top rate went from 70 percent to 28 percent. That was easy, and it certainly was a lot of fun to do a release, to tell our people we had cut their taxes by that huge amount.

The other thing he asked us to do was spend more money, and, boy, was that easy. Most Members thought that was the best thing we could possibly do. The President had asked us to spend more money. We greatly increased the amount of money we spent on the Defense Department, and a lot of Members sent a lot of letters and a lot of news releases out on what we were spending money for. So the 1980's were really a lot of fun, and they were very easy.

But as we stand on this floor in the 1990's we are looking at a $4 trillion long-term national debt. We are looking at a $350 billion-plus deficit this year.

I suggest to all of our colleagues that the fun is over and that the good times are over. And there is not a proposal that is a serious proposal that this body will be able to consider that really addresses the problem that is going to be easy to do. None of it is going to be fun. No taxes are easy to pass. No one is going to embrace any tax with any degree of enthusiasm and report back to our States that, by golly, I just passed a new tax. No one is going to want to do that, and no one is going to want to introduce or issue a news release about what programs we cut, because that is not going to be easy. So the easy and the fun days are over.

But I suggest the day of reckoning for this Congress' ability to be able to solve the problems this country is facing is at hand. I heard people say, "I do not like the Btu tax." I do not like the Btu tax either.

I have also heard some say it is unfair, it is regressive, it hits middle-income and working people more than it hurts wealthy people. I do not hear a lot of people making suggestions for raising revenues, and I do not hear anybody specifically spelling out what programs they want to have reduced, other than talking in generic terms.

Let me suggest that when you talk about it being regressive, you are only looking at part of the President's package. There is another part that not many people, I think, are focusing on. When the President spoke in the other body, in the joint session, he talked about the other part of the story, the rest of the story. Part of the rest of the story is his proposal to increase the earned income tax credit. The earned income tax credit rewards work in this country. It is not a welfare program because it only is helpful to those people who actually are employed.

The President's proposal is to increase the earning limitation for the earned income tax credit to people making up to $30,000 a year. When you look at what the earned income tax credit will give to people who work in this country, who are in the middle- and lower-middle-income brackets, it more than offsets the adverse effects of a Btu tax, it more than offsets the adverse impacts of a Btu tax because people under the earned income tax credit are eligible to get up to $2,400 a year in a tax credit to encourage them to continue to work.

If you look at the estimates on what a Btu tax would probably cost a family of four, one estimate is $17 a month, a little over $200 a year. That is substantially less of a tax increase than they would be able to get from the earned income tax credit that they will be given when the whole package is adopted and passed.

I looked at my income tax returns for the State of Louisiana. I will bet most of my colleagues on this floor are in pretty much the same situation. In Louisiana, for the last taxable year, the IRS tax returns show that 72 percent of the people in my State reported incomes of $30,000 a year or less. That tells me almost three-fourths of the people in my State would be eligible for an earned income tax credit that will do more than offset the adverse impact of a Btu tax.

So I think in these discussions—and we are going to have a lot more; those of us on the Finance Committee are going to have to spend a great deal of time trying to reconcile and report out the exact terms and conditions of this package and this program, including the earned income tax credit—but it is unfair to just single out one portion and say it is bad because I do not like taxes.

Nobody likes taxes. I suggest when you look at the Btu tax, you should also look at the earned income tax credit, which is designed to help middle-income and working families in this country, which I think offsets the adverse impacts of the Btu tax.

Our job is to make it fair, to make it work, to make it be imposed at the proper stage and not to be haphazardly thrown out there without a detailed and complete discussion. This budget resolution is going to allow that to happen, and I think we should go forward with it until someone comes up with a better idea, which I have not yet heard.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, this amendment before us today, I think, indicates why the American people and the press are not taking seriously the efforts on the part of our colleagues on the other side of the aisle with regard to this budget debate.

There is a lot of rhetoric here on the other side about opposing the Btu tax, opposing it because it will work irreparable harm on poor people, on working people, on middle-class people. I agree with the Senator from Louisiana, nobody likes a tax. I wish we could run this Government without any taxes whatsoever. We started down that road in 1981, I will remind my colleagues. We thought we would just keep on cutting taxes until perhaps we would produce such prosperity we would just keep on cutting them into perpetuity.

What occurred in the final analysis was a disaster. That is the reason we find ourselves in the hole that we are in today.

With regard to those among us who are poor, this Btu tax would offset any adverse effect on the working poor by the earned income tax credits. In other words, if you are working and you make below a certain amount and you are adversely impacted by the Btu tax, then, of course, you are made whole by the earned income tax credit.

There are other safety net programs to offset the minimal adverse side effects that this tax may have on the poorest among us. Food stamps, low-income home energy assistance program—all of these things help offset the admitted but slight regressivity of the Btu tax.

The truth is that in the President's tax program, 64 percent of the new revenues proposed by President Clinton will be paid for by families earning $200,000 or more a year. That is what our colleagues on the other side of the aisle object to. These crocodile tears over the middle class, or the poor, over this Btu tax—that is not convincing, I say, Mr. President, to this Senator.

Why should this amendment not be taken seriously? First off, what is pro-

posed is to offset the Btu tax with what are essentially unspecified cuts in function 950. What is function 950 of the budget? It really is simply just a plug. It is a holding place where you put a few things in the budget that you do not have any other place to put.

For example, function 950 includes anticipated additional budget authority and outlays that might be needed to finance pay raises for all agencies except DOD and the military.

It includes contingencies for specific requirements. It includes contingencies for relatively uncontrollable programs, if you have a mandatory program that happens to rollover. Contingencies for other requirements, that is what it says; it is that general. Undistributed offsetting receipts; employer share; employee retirement; interest received by trust funds; rents and royalties on the Outer Continental Shelf. That is what function 950 is.

Look at what has occurred just in the Senate Budget Committee, a whole host of amendments offered by our colleagues from the other side, paying for every one of them, they said, out of this tiny little function 950 which is undistributed offsetting receipts. They offered a total, Mr. President, of $764 billion over 5 years in cuts they were going to pay for out of function 950; $764 billion that they were going to pay for out of unspecified cuts in this tiny function of the budget.

Now they are coming in and saying we are going to pay for the Btu tax out of this tiny little function 950 of offsetting receipts and unspecified cuts. They are going to pay for $85 billion in revenue losses out of this function 950. An impossibility; an impossibility.

If they want to do away with the Btu tax, come in and tell us; how are you going to pay for it. Or then just confess what is the truth: We do not want to deal responsibly with the deficit. We know there is a deficit out there, but we do not want to have our fingerprints on any unpopular effort to deal with it.

That is what it is all about, Mr. President. That is what this function is all about. They are actually taking it out of function 920, allowances. But the principle is really the same. There is just nothing there.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. SASSER. Yes; I will yield for a question.

Mr. DOMENICI. If I understand you correctly, when the President's budget was submitted to the Budget Committee under function 920, this little bitty function you are speaking of did not have anything in it. Then the chairman put $39 billion in it with a minus sign in front of it. I think you were saying—that was when you had to provide some more budget cuts—Senator PACKWOOD, remember CBO told them they were off?

Mr. PACKWOOD. $40 billion.

Mr. SASSER. Is the Senator addressing the question to Senator PACKWOOD or me?

Mr. DOMENICI. To you, but I saw him listening so I wanted to make sure he knew.

Let me ask, did you not put $40 billion in unspecified cuts in the same function to meet the CBO's objection to the President's budget? And why do they belong in there any more than anything else?

Mr. SASSER. As the Senator knows, and he knows the budget as well as anyone in this body, he knows that is a traditional use of function 920.

Mr. DOMENICI. Just as this is.

Mr. SASSER. The point I am making here is that our colleagues on the other side of the aisle had 764 billion dollars' worth of cuts in amendments over 5 years that they sought to offset with function 920. No wonder these proposals coming from the other side of the aisle are not taken seriously by editorial writers across this country, by the press, or by disinterested observers. There are no serious proposals that we have seen so far coming from our colleagues on the other side of the aisle to deal with this deficit.

I really wish that there were. I think if some of our friends on the other side had their way, there would be serious proposals coming from some of them, because I happen to know some of them on the other side of the aisle are concerned about this deficit and they want to make responsible proposals. I well remember back in the early eighties, when at that time there was much concern on the other side of the aisle when Senator DOMENICI was chairman of the Senate Budget Committee, much concern about the escalating deficit then.

The then-chairman of the Finance Committee, Senator DOLE, had the courage to come forward and say, yes, we have to do something about this deficit. At that time, the distinguished chairman of the Finance Committee, now the very able minority leader, called for a broad-based energy tax. In the summer of 1982, as chairman of the Finance Committee, Senator DOLE told the Reagan administration if they did not want to end up with an even bigger deficit, then they needed to do something about it, and he suggested an energy tax. I want to commend him for it. The distinguished Senator from Kansas has stood on this floor, I think, on many occasions and taken some unpopular positions in an effort to fulfill his responsibility, first as chairman of the Finance Committee, and later as minority leader in dealing with this deficit.

But I say to my friends that we simply cannot drop this vital element of the President's budget and his economic program without having some way to pay for these revenues which are going to total some $85 billion over 5 years. If we just want to say, OK, we are not going to reduce this deficit $502 billion over 5 years, we are going to reduce it by some $417 billion over 5 years, then I say to my colleagues, let us just say it; let us be honest about it and say that we do not have any means of replacing lost revenues from this Btu tax and we are just going to borrow another $85 billion over the next 5 years. That is what we have done for the last 12.

But the difference is that the American people have said they want a change. They are tired of these borrow-and-spending policies. They say that they are ready to make a shared contribution to try to deal with the problems of the deficit, and they say that because they are concerned about their country, they are concerned about the future of their children.

I call to the attention of my friends on the other side of the aisle the Wall Street Journal-NBC poll that appeared just a few days ago, that showed the American people preferring the President's economic plan 2 to 1 over their proposal that did not raise taxes.

So the American people are way ahead of them on this. They are saying the thing that troubles us most is irresponsibility in dealing with this Government's fiscal affairs, and we are willing to make a contribution, a shared sacrifice, if this will alleviate the problems of the Federal budget.

If this proposal should pass, if the Btu tax were to be thrown overboard, and I do not like any taxes myself; I do not like a Btu tax, but I will say this: There are some favorable effects flowing from it. We are all concerned about the environment, at least we all say we are concerned about the environment. This Btu tax will encourage conservation. Some have calculated that this Btu tax will go a long way to moving this country back in carbon monoxide emissions to the 1990 levels from the year 2000 as we agreed to do at the Rio meeting just last year.

Mr. President, another salutary spin-off from this Btu tax will be to discourage energy consumption and particularly oil consumption. We in the United States on a per capita basis use much more oil than any other country in the world. It is calculated that this Btu tax will go a long way to reducing our oil consumption.

Mr. President, I am losing my voice here. Let me yield the floor momentarily.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I yield the Senator from Wyoming 5 minutes.

Mr. WALLOP. Mr. President, I thank both Senators.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I think it is amusing, to say the least, to be lectured by the chairman of the Budget

Committee about specifics, he having just voted for the amendment of the Senator from Iowa which contained no specifics but just a vague instruction not to charge money for barges.

I would like to just take this quick opportunity to criticize another statement that he made which talks about the admitted but slight effects. I do not think it is a slight effect if you work for Boeing and have lost your job because this tax is a subsidy for Airbus.

How is it a subsidy for Airbus? They do not have to pay the tax. And by putting $1 billion onto the airlines we have made their new purchases of airplanes another half a decade further away. Airbus is a cheaper airplane now because it does not have that tax to pay.

So we are subsidizing foreigners. We are subsidizing foreign oil with this tax. How? Because since the President and his able people want to hide this tax from the American people, they will not put it out for the consumer to know he is paying it, and therefore, it cannot be assessed on refined products. Having not been assessed on the refined product, the refined product comes in here and does another thing. Its slight effect, I would say to the Senator from Tennessee, is to put people in the American refining business out of business.

He also gives us a long song and dance about how this is environmentally sound. How, may I ask, will Vice President AL GORE's Rio demands be met by making high sulfur coal a cheaper fuel than the clean renewable water of the Pacific Northwest? How does it do it by eliminating the viability of nuclear power?

The purpose of the tax, Mr. President, is not to raise money but to satisfy a Rio demand of the Vice President. Because if the purpose of the tax is satisfied, two great new things happen. A whole new class of dependent Americans becomes ours to witness. Why? Because food stamps have to be issued to take care of people newly eligible for the stamps by virtue of having had to pay the Btu tax. Why? Because the earned income tax credit makes more people eligible for dependency on the Federal Government. These are hardworking Americans who are now not dependent on the Federal Government. The political science of this is great; this new Government dependency goes right around and these hardworking Americans must vote for the people who will now shell out money to keep them from having to pay the Btu tax.

It also fails on Rio because the tax makes the Pacific Northwest less blessed by clean, renewable hydropower. The tax fails on revenue because of the income transfers that are required. And it does one thing that the President promised when he said he was going to rework welfare as we knew it. How? By putting more Americans under income umbrellas.

Mr. President, this Btu tax is pernicious; it is dishonest because it is hidden from the people who will pay it. It puts people and Americans out of work. This amendment has the specificity required to remove new spending. If the purpose of the tax is solely to provide for new levels of Government, it succeeds brilliantly. If its purpose is to provide revenue, as the Senator from Louisiana and the Senator from Tennessee have said, it fails on every count because the new American is made dependent, the new American is eligible for food stamps, the new American who requires earned income transfers are now wards of the Government, under President Bill Clinton. It also fails environmentally.

And let me just say to my friend from Tennessee that its admittedly slight effects are not so slight when it is to the tune of $300 for a person in Wyoming. Maybe they do not live far from work in Tennessee but they live far from work in Wyoming. To my ranchers, my farmers, my miners, my county governments, my school districts who have to bus some kids 70 miles one way in a day, these are not slight effects, I would say. These are the effects of a Democratic Party seeking to embrace new dependent constituents.

I thank the Senator from Oklahoma.

The PRESIDING OFFICER. The time has expired. Who yields time?

Mr. NICKLES. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator controls 35 minutes.

Mr. NICKLES. How much on the other side?

The PRESIDING OFFICER. Thirty-nine minutes.

Mr. NICKLES. I thank the Chair. I yield to the Senator from Texas 5 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank our dear colleague for his leadership, and I want to thank Senator SHELBY from Alabama for his leadership, for his courage, and for putting his constituents first. I think he has been a good lesson for us here today, and I simply wanted to make mention of it.

Mr. President, when the President gave the State of the Union Address, he said this energy tax is a throwaway, $10 a month, $120 a year. What he did not tell us was that was the direct cost, the increase in the cost of gasoline, the increase in the utility bills. But even his plan shows another $200 cost per family in the cost of everything going up because energy goes up in cost, everything from groceries to an airline ticket.

So in the President's budget, the cost of the energy tax is not $120 as he said in the State of the Union Address but $320. But now as outside groups are doing estimates, groups like the group headed by former Secretary James Schlesinger, who was Energy Secretary under President Carter, this tax is going to cost $500 a year per family on average in amount—more if you live west of the Mississippi, and more if you live in a rural area.

Our dear colleague from Louisiana said this is no problem because all of my people are going to get the earned income tax credit. Let me remind our colleagues, senior citizens do not get earned income tax credit. A lot of working Americans do not get earned income tax credit. A lot of people are not going to be protected.

What does the amendment do? The amendment before us cuts spending by $73 billion and eliminates this tax.

The budget now before us increases spending on new programs by $136 billion. What this amendment does is it takes $73 billion of the add ons away and eliminates this energy tax.

Our colleague from Tennessee says we do not have an alternative plan. Our alternative plan is as simple and direct as a plan can be: Do not increase spending by another $73 billion over the level we are spending now and do not impose this oppressive tax on the American people. That is what this amendment is about. It is a very simple plan. Every penny of the Btu tax is spent. None of it goes to deficit reduction.

Our colleagues talk about we have to stand up and raise taxes to lower the deficit. Not one penny of this Btu tax goes to deficit reduction. Every penny of it and more is spent on new programs under the Clinton budget.

So what we have done is simply said this: Out of the $136 billion of new add-on spending programs in the President's budget, take $73 billion of them away and do not impose the Btu tax. The Btu tax will raise energy costs on every American family. The Btu tax will make every American exporter less competitive. The Btu tax is going to affect the country, affect our growth capacity, affect job creation. It is a very poorly designed tax, and it is a tax that is going to cost us in terms of economic growth.

Does anybody here believe that the benefits of the 73 billion dollars' worth of new spending programs will really be worth the Btu tax to pay for it? Will it be worth the jobs? Will it be worth the cost imposed on the people who do the work, pay the taxes, and pull the wagon? The Senator from Oklahoma says "No." The Senator from Alabama says "No." I am proud to have my name on the list of those who say do not impose an energy tax. Do not impose a burden on working families. Do not destroy American jobs to increase spending.

It would be one thing if this money was going to deficit reduction, but every penny of it and more is going to pay for 136 billion dollars' worth of add ons. Take the new spending away. Take the Btu tax away.

I urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. NICKLES. Mr. President, I yield the Senator from Oregon 4 minutes.

Mr. PACKWOOD. I thank my good friend from Oklahoma.

Mr. President, there has been much debate here about specific taxes. Earlier we were talking about the Btu tax and the chairman of the Finance Committee, Senator MOYNIHAN, made a good point. You are not ordering a Btu tax. You are saying to the Finance Committee here is the amount of money to raise. We recommend this but come up with it as you want. Likewise, on the spending cuts, this may be a generic outline but you are not ordering the committees to come up with these cuts. You are saying here are the goals we want to reach.

We are involved in a philosophical debate here, and it is a genuine philosophical difference between the political parties. The Republicans want to tax less and spend less. The Democrats want to tax more and spend more. Those are honest differences of opinion. Harry Hopkins, Roosevelt's chief aide, 60 years ago said it very clearly. "Our philosophy is tax and tax, spend and spend, elect and elect." And the Democratic Party has not changed in 60 years.

I will make this prediction. I want to be on the record now. If President Clinton's budget is adopted exactly as we have it, dot every "i," cross every "t," 5 years from now, we will be spending more of our gross national product by the Government, we will be taxing more, percentagewise, of our gross national product, our unemployment rate will be higher, and the deficit will be bigger than it is today.

Critics will say, oh, no, because this goes to deficit reduction.

I will tell you what will happen if we pass this budget exactly as it is with permanent taxes in it. They will never come off. What will happen is the next Congress and the Congress after that will have a demand to spend, and we will. Let me make that prediction. A higher percent of our gross national product will go for taxes, higher percent will go for spending, the deficit will be bigger, and unemployment will be bigger.

But all this amendment does is to take this generic outline—this is not a blueprint, this is an outline—and the Republicans are saying, let us cut $74 billion in taxes, and we will say to the Finance Committee, you have to raise $74 billion less, and let us cut spending $74 billion. And we are saying to the relevant committee, you cut the spending $74 billion. That is all. It is a philosophical decision, and this body can make whatever choice it wants. I personally am for smaller government and less taxes and less spending. I think the Democrats are for bigger Government and more taxes and more spending.

I thank my good friend from Oklahoma.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I thank the Senator from Oregon. I yield to the Sentor from Alaska 4 minutes.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. Mr. President, we are told not to take seriously the amendment that we have proposed. Let me tell you, Alaskans take the amendment seriously. We are looking at a potential cost, as a consequence of the Btu tax, of approximately $1,500 per household.

I ask that this statement put out by the American Petroleum Institute today entitled "Proposed Energy Tax Will Hit Alaska Hard" be printed in the RECORD.

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

[From the American Petroleum Institute]

PROPOSED ENERGY TAX WILL HIT ALASKA HARD

OVERVIEW

The Clinton Administration's proposed BTU energy tax would hit Alaska's citizens especially hard—much harder, in fact, than it would most Americans. According to the U.S. Department of Energy, Alaska consumed about 550 trillion BTUs in 1990.[1] This means Alaska residents would have paid $216 million—equivalent to $1,521 per family of four—in additional energy taxes, had the Clinton Administration tax proposal been fully implemented.[2] A tax burden this large would slow the state's economy, cost jobs and make goods and services produced in Alaska less competitive in world markets.

ENERGY TAX IMPACT ON ALASKA

[In millions of dollars]

	Cost	Percent share
Residential	$16.8	7.7
Transportation	102.4	47.2
Commercial	18.5	8.5
Industrial	79.1	36.5
Total	216.7	100.0

Everyone depends on energy every day, so a tax on energy, as a tool to reduce the deficit, would hit Americans hard—and Alaska's citizens in particular. Gasoline and diesel fuel are used to carry people to and from work, haul goods to market, and deliver services to your front door. Jet fuel is used to transport people to business meetings and vacations; LPG (liquified petroleum gas) helps produce petrochemicals; and distillate fuels fire industrial and commercial boilers. Electricity—generated by coal, oil, natural gas, hydropower and nuclear fuels—lights our front porches and cools our offices, factories and living rooms. Coal, too, powers many utilities and manufacturing processes. And natural gas cooks food, heats homes, powers forklifts and performs countless other commercial and industrial tasks. Many of our major industries—petrochemicals, glass, and aluminum are just a few—use tremendous amounts of energy in the production process.

A fairer way to raise money to reduce the budget deficit, after all practical spending cuts have been made, would be to levy a relatively small tax on all consumer goods. Under a value added tax (VAT), energy would be taxed along with other goods and services. However, a VAT would not unduly penalize particular businesses or regions of the country, as would a BTU tax. And a VAT can be designed to exempt essentials such as food and medicine so the poor would not be unfairly burdened. Even with such exemptions, a one percent VAT would raise $27 billion or more.

WHY THE BTU TAX HITS ALASKA HARD

The Clinton Administration has proposed taxing the heat content of fuels, measured in British Thermal Units (BTU's). The proposed tax, in addition to being one of the worst ways to raise government revenue, is also discriminatory. A tax rate of 25.7 cents per million BTUs applies to virtually all energy sources except oil, which is taxed at 59.9 cents per million BTUs (about two-and-a-third times as high as other forms of energy). Alaska gets its energy from a variety of sources, including a large percentage from heavily-taxed oil.

The BTU tax would apply to all sources of energy except solar, wind and geothermal power (which together comprise less than 1 percent of the U.S. energy supply). There would be an exemption for non-fuel uses of energy, such as the raw materials used in the production of fertilizer. Even with these exemptions, the residents of Alaska would be hit hard by a BTU tax. A BTU tax this large would affect every household, worker and business in the state.

ENERGY USE AT HOME

According to the U.S. Energy Information Administration, households in Alaska consumed more than 48 trillion BTUs in 1990. Electricity—for lighting and for heating in particular—accounted for nearly 43 percent of this total. Natural gas and petroleum accounted for much of the remainder. Had the Clinton Administration's BTU tax been in effect in 1990, Alaska households would have had to pay $16.8 million in additional taxes.

ENERGY USE ON THE ROAD

A BTU tax on transportation would hit Alaska residents hard. In 1990, some 570,000 people living in Alaska consumed 172 trillion BTUs to transport goods, services and people. In 1991, the 318,000 drivers in Alaska operated nearly 470,000 registered vehicles and drove 4 billion miles on more than 243 million gallons of motor fuel. Had this fuel—along with jet fuel and other fuels used in transporting people, goods and services—been taxed according to the Clinton Administration's proposed BTU formula, Alaska would have paid $102.4 million in additional energy transportation taxes in 1990. As motor fuel consumption rises—as it is likely

[1] This end-use energy consumption figure excludes non-fuel uses of fossil fuels. For example, the natural gas used as a raw material in the manufacturing of fertilizer would not be taxed.

[2] The details of the proposed Clinton Administration BTU tax are not yet available. However, its broad outlines are known and, in this paper, the impact of the tax is assumed to occur in the same state where the end-user energy consumption occurs. The figures therefore reflect on-site consumption and not the fact that industrial firms and some commercial firms eventually pass through to their customers some—or all—of the tax. To the extent that firms can do so to out of state customers, impacts among states will vary from those shown here.

to do by 1997 when the proposed tax would be fully phased-in—Alaska residents would likely pay even more in transportation taxes. And few Alaska citizens have access to mass transit as a way to reduce their exposure to a BTU tax on motor fuels.

ENERGY USE ON THE JOB

Energy powers in the state's economic growth—and its job growth. In 1990, the commercial and industrial users of energy in Alaska consumed more than 330 trillion BTUs. Had this energy use been subject to the proposed BTU tax, Alaska businesses—and ultimately, consumers—would have paid more than $98 million in additional energy taxes for their goods and services in 1990. Energy-intensive industries that are important to the Alaska economy include lumber, paper and pulp, and mining.

Lumber and logging are heavy energy users. Energy is needed to cut, stack and haul trees to sawmills and planing mills. Moreover, trucks and trains that deliver hardwood flooring, plywood and other forest products to their end-users consume energy that would be subject to the proposed BTU tax.

The construction industry is a big energy user. Cement companies in particular consume large quantities of energy in order to produce and transport concrete to sites to build bridges, office buildings, the foundations of new homes, and new shopping centers. Energy also is consumed producing fabricated structural metal, concrete block and brick, glass and ceramic wall and floor tile.

Every manufacturing process consumes energy. Coal, oil, natural gas and the electricity produced from a variety of energy sources power factories. Trains, trucks and planes consume energy when they deliver raw materials, such as steel, aluminum or plastics to the factory door. And energy is consumed when the finished product is transported to regional distribution centers and retail outlets. In fact, according to the National Association of Manufacturers, "one-third (and possibly more) of the total BTU tax would fall directly on industrial production processes."

In short, a BTU tax would raise household, transportation and business costs. Higher costs would have a ripple effect. Some of Alaska's citizens would lose their jobs because consumer buying power would be reduced as a result of sending more tax dollars to Washington and the higher cost of goods and services. And the things Alaska's residents produce for export would also become less competitive in world markets. This, too, could result in lost jobs.

VALUE ADDED TAX IS A MORE EQUITABLE ALTERNATIVE

A BTU tax is not the only option for dealing with the federal budget deficit. If after making all reasonable and realistic spending cuts policymakers decide additional government revenues are needed, a tax on consumption, such as a credit-invoice value added tax, or VAT, would be fairer than a tax levied solely on energy. Unlike an energy tax, a VAT's regressivity can be reduced by excluding critical goods and services such as food and medical care.

The VAT, already in use in virtually every industrial country in the world except the United States, would apply to energy, but also to other consumption. Its burden would be spread uniformly across the U.S. economy and would not unduly penalize particular businesses or regions of the country. The BTU tax, however, would have a far greater impact on the residents of Alaska than on others.

Regional inequities of the BTU tax on a four-person household

Region:	Annual Tax
Southwest	$652
Southeast	507
Rocky Mountain	489
Plains	466
Great Lakes	446
Far West	439
New England	405
Mid-Atlantic	390

NOTE.—People living in rural regions (where driving distances are long) and regions with more energy-intensive industries will be particularly hard-hit by the energy tax.

Mr. MURKOWSKI. It says the tax burden of this magnitude will slow our State's economy, cost jobs, and makes goods and services produced in Alaska less competitive in the world marketplaces.

Mr. President, as we address the issue of equity, this Btu tax is grossly unfair. It proposes to treat gas, coal, and hydro at a rate of 25.7, but it takes oil and adds 34 cents per million Btu and calls it a special surtax.

Mr. President, it is not a surtax. It is a sin tax. It puts us into the category of tobacco and liquor. The logic of this absolutely escapes me. In the bush communities in Alaska, up to 25 percent of the income goes for energy. We are big, we are cold. We are not going to save anything from the standpoint of saving oil because it takes so much kerosene to get there in the jet, just as it does my friend in the chair from Hawaii. We are large, we are big, we are cold. The national average of household income spent on energy is about 7 percent, compared with 25 percent in the State of Alaska.

Mr. President, we are looking at the energy industry of this country, which constitutes about 9.8 percent of the gross national product, to come up with 22 percent of the new taxes proposed by the President. It is hurting the fishermen, the farmers, the miners, our international competitiveness, and costing jobs. And what we are also looking at is a proposed tax on energy to produce energy, like LNG, like the fertilizer urea. This is going to affect our international competitiveness. There is no consideration in here for the inflation factor. One airline in my State of Alaska, Alaska Airlines, is looking at a $19 million increase as a consequence of this Btu tax, no offsetting entries. It is simply not fair.

I think we ought to address the question of why some of the oil companies are for it. Most of the oil industry is against it. It is not good for Americans. But some majors are for it. The question is why. They have different sources of crude oil and refined products. Some of them depend on imports. Those imports will undoubtedly increase. The beneficiaries will be the Saudis and Mideast countries, not necessarily the United States, the U.S. consumer, or the taxpayer.

The oil companies are going to go down, Mr. President, and talk to the Treasury and hope that they can work something out. Right now nobody knows how it is going to work out. It is an individual negotiation. Members of this body and myself are going to watch those negotiations. We are going to watch those special interest groups to ensure that there are no loopholes granted in any proposal of a nature such as this.

Mr. President, this tax is simply not well thought out. It hurts the U.S. consumer, and it hurts those that are dependent on oil and have absolutely no other alternative. In my home in Alaska, I only have oil. My neighbors only have oil. Yet we are being asked to make a fair contribution which is not fair because of the special 34-cent surtax. And the equity of that escapes me.

I urge my colleagues to support the pending amendment, which is, in good conscience, what is best for America.

I will support the amendment of my colleague from Oklahoma.

I thank the Chair.

Mr. NICKLES. Mr. President, I yield to the Senator from New Mexico 4 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank my friend and I thank all the Republican Senators who, I think, have presented an air-tight case for getting rid of the energy tax.

When I was a young lawyer, there was an adage around. It said, when you have bad facts, you bring a lot of law books along. When you have good facts, you do not need any law books.

What has happened here is there is no defense for this energy tax. It is not needed. It is not good for anyone. It is going to destroy American business. It is going to harm senior citizens. No earned income tax helps senior citizens in retirement. The poor in America do not get any earned income tax credit unless they are working and unless they have families. There are millions without families. They are not going to get anything out of this attempt to counteract progressivity by expanding the earned income tax credit.

Frankly, it is about as regressive as you can get. It is going to cost jobs, and it is not going to improve the environment. It is not going to do anything to cause us to consume less. Lo and behold, it is going to cause us to produce less oil.

Then, when you have all of those facts against you, you bring out the law. And the law is budgetese. The law is putting up a chart, talking about all of the Republican amendments. Keep in mind, if one of them had passed, we would not have offered the other ones. We are giving examples of how one major amendment will be funded. That is what we are doing. And we are as-

suming, if it passes, we do not take the other one up. So everybody should dispel any notion that we do not have a plan. This is the first installment of a Republican plan, and it is very simple—$72 billion less in taxes, and $72 billion less in new Government expenditures.

There is nothing more difficult than that, nothing erroneous about that, nothing wrong with that under the budget system. Clearly, that is how you do it. Function 920 is more budgetese. The chairman, a marvelous Senator, who knows the budget, and when it works to his purpose, he does not talk about it. He put $40 billion in unspecified cuts in it to make his budget work, and then he would have the American people say that the Republicans do not have a budget. That is why they are up here doing this. This budget is clear. The appropriators in the U.S. Congress will have $72 billion less to spend if the Nickles amendment is adopted.

The President asked for $124 billion in new programs and add-ons. We are saying spend $72 billion less of that. Very simple and forthright and very true. And on the tax side, why do we want to tax energy? This is no environmental tax. It may have started out as a great environmental bonanza to America, but the administration negotiated it out in such a way that it does not help the environment. You pay twice as much for crude oil as you do for natural gas, the cleanest of all fuels. Hydroelectric and natural gas, they get a big whopping Btu tax, and they do not have anything to do with the environmental problems of the country. So on all scores it does not work. There are no facts to support a Btu tax. You have to come with some legalese, and the legalese is to make excuses and talk about Republicans and talk about no plans.

I close by saying for those who wonder about our plan, this is the first installment tonight, $72 billion less in taxes, $72 billion less in expenditures. I think the American people expected that. Thank you.

Mr. SIMPSON. Mr. President, I rise in support of the amendment offered by Senator NICKLES, Senator WALLOP, and others, to eliminate the Btu tax from the pending budget resolution.

Mr. President, we have heard so much about sacrifice in the debate over the budget deficit. And sacrifice will surely be needed if deficit-reduction is to be achieved.

The amendment before us has nothing to do with backing off of any necessary tough medicine. It does not undercut the deficit reduction in the pending resolution—it leaves all of the deficit reduction intact, and indeed, I will argue that the pending amendment would improve the resolution's prospects for lasting deficit reduction.

What this amendment does is simply to lower the amount of new taxes and new spending in the bill. Thus, it shifts the sacrifice from the working Americans who would have to pay the costs of the Btu tax and asks for more sacrifice from Members of Congress who are anxious to spend public money. That is all that it does. It eliminates an amount of new spending—not existing spending, but new spending, above and beyond projected increases—and uses that savings to save working Americans from the presently unseen—or apparently understood—effects of the proposed Btu tax.

If sacrifices are indeed necessary to reduce the deficit, they ought to start here in Congress with some spending restraint. Recently we reduced legislative branch appropriations and committee staff funding, an appropriate bit of belt-tightening. However, I don't believe that this entitles us to a new spending spree of $124 billion over 5 years—which I repeat again, is over and above projected increases.

So let us be very clear about what is in this budget resolution. New taxes—nearly $300 billion in net new taxes. Spending cuts? On the domestic side—only $7 billion in net domestic spending cuts. While we are only cutting domestic spending by $7 billion, we are hitting the American public with a whopping tax bill—including $78 billion in energy taxes.

We hear a lot of rhetoric in this Chamber about how some are unwilling to bite the bullet to reduce the deficit because they are protecting some special interest. I would suggest that those who oppose this amendment are protecting the special interest of congressional spending at the expense of the working Americans who will pay this tax. This budget resolution asks those Americans to pay $78 billion in new taxes so that we can have the luxury of embarking on popular new spending initiatives that will get everybody reelected. Surely the American people can figure that out.

The Btu tax is undeniably regressive. The administration has admitted as much by proposing a low-income energy assistance program to ameliorate the effects of the tax. But if we simply scale back some of the proposed new spending spree, we can eliminate the need for this tax altogether.

I would make one final point before I close. This amendment is scored as being revenue-neutral. I believe it is better than that—it will improve the long-term deficit-reduction potential of this resolution.

This is because all of the new spending in the resolution will permanently work its way into budget baselines in years to come. A dollar spent this year will mean an inflation-adjusted dollar spent next year, and again every year after that. All new spending plans will be figured in relation to the accelerated levels of spending created by these new spending initiatives.

On the other hand, there is no reason to believe that the revenue from this tax would increase to keep pace with the proposed new spending. In fact, the opposite is true. The extent to which new taxes burden our economy and diminish projections of Federal revenue is never properly accounted for. We will be fortunate indeed if the Btu tax produces its projected revenue.

Passage of this amendment would mean eliminating a dubious revenue projection, while at the same time eliminating assuredly increasing new spending. That is a trade which would be beneficial for us to make. We would also be placing back upon this Congress some of the burden which this resolution currently seeks to shift onto working Americans. I hope my colleagues will support this amendment and I yield the floor.

Mr. SASSER. Mr. President, I intend to yield almost immediately to the distinguished President pro tempore of the Senate, but let me just say: This is a plan to reduce the deficit, to get this economy moving again? This is a plan that comes up with $764 billion in unspecified cuts over 5 years? This is a plan, which to pay for it you would have to reduce domestic discretionary spending by 60 percent over 5 years.

What kind of plan is this, Mr. President? Look here. Eliminate Social Security tax. How do you pay for that? Unspecified spending cuts. What are they? Eliminate the energy tax. How do you pay for it? That is $73 billion, with unspecified spending cuts. Restore defense spending. That was one of the amendments. That is $56 billion. How do you pay for that $56 billion in increased spending? Unspecified spending cuts. Protect small business and family farms. Sounds great—$56 billion. How do you pay for it? Unspecified spending cuts. Reduced discretionary programs, 50 percent. How do you pay for it? It is $46 billion in unspecified cuts. It goes on and on.

So the point is, Mr. President, that is just the kind of plan that got us in the hole we are in now, and if we adopted all of these proposals that make up some kind of plan, the distinguished chairman of the Appropriations Committee would have to reduce his appropriations for domestic discretionary spending by 60 percent over 5 years. Why, that is ridiculous. You would have to shut down almost all of the operations of the U.S. Government.

Well, the distinguished chairman of the Appropriations Committee and President pro tempore is on the floor. I am sure that he will address this matter in his usual eloquent and exhaustive fashion. I look forward to hearing from him.

I yield to my friend from West Virginia such time as he may consume.

Mr. BYRD. Mr. President, I thank my friend.

Twelve years ago, this Nation embarked on a grand new fiscal experi-

ment. It was an experiment based upon the theory and all too attractive promises of supply-side economics. We were told at the time that if we would cut domestic spending, we could also reduce taxes—3 years in one fell swoop in cutting taxes; 5 percent, 10 percent, and 10 percent—increase military spending, and still balance the overall Federal budget.

I will say it again. We were told—I heard it, I was here, and I listened—that if we would cut domestic spending, we could also reduce taxes, increase military spending, and still balance the overall budget—I mean, just in a matter of 2 or 3 years—"In FY 1983, if not in FY 1982," I believe were the exact words, all at the same time. Talk about pulling a rabbit out of the hat. We were told that it could be done. And the people said, give the new President a chance.

What did we do? I voted to give the new President a chance. We slashed real, domestic discretionary spending, and far more substantially than most might realize. We also cut taxes, again far more substantially than most might realize, and we massively increased military spending. Yet, we did not balance the budget—not by a long shot. Instead, we incurred an unbroken string of triple-digit billion dollar deficits.

Let us go back just a little way over the path of time. Here is a chart. Look at the first year of the Ford administration budget. It ran a $70 billion deficit. The second year, a $50 billion deficit. The first year of the Carter administration, a $55 billion deficit. The second year of the Carter administration, we ran a $38 billion deficit. The third year, a $73 billion deficit, and the fourth year, a $74 billion deficit. In other words, double digit deficits in the billions.

Then, for the first year for which the Reagan administration was responsible, the man who said that if we would follow his will-o'-the-wisp supply-side economics theory, cut taxes, cut spending, and raise military spending we would balance the budget, what happened? In the first year for which his administration was responsible, the chart show a $120 billion deficit for the first time, a triple digit deficit in the billions, $120 billion. The next year it was $208 billion, then $186 billion the next year, and the next year $222 billion.

So the first 4 years of the first Reagan administration we see what we got. We did not get balanced budgets. Then the first year of his second administration, $238 billion, the second year $169 billion, then $194 billion, and then $205 billion.

No balanced budgets in sight. Look anywhere you please.

Then we came to the first year of the Bush administration. A $205 billion deficit. The second year a $278 billion deficit, the third year a $322 billion deficit, and last year $340 billion in the red.

No balanced budget anywhere in sight. Look where you may—east, west, north, and south, it is not there.

Well, the theory was that slashing the tax rates would generate such a tremendous surge in new economic activity that the tax cuts would just pay for themselves. What a marvelous potion of brew for one to imbibe. And that we could then finance the largest peacetime military buildup in history and still balance our budget.

The theory failed miserably. The promise of fiscal conservatism was overrun by the fiscal radicalism of borrow and spend.

I heard a little while ago one of the great orators on the other side of the aisle talk about how the Democrats believed in taxing and spending; the philosophy of the Democratic Party is to tax and spend, the Senator said.

Mr. President, we saw what the philosophy of our Republican friends was under the Reagan administration and under the Bush administration. The philosophy was borrow and spend. Don't pay for it today. Good morning in America. Use your credit card. So we went on a national credit card binge. We used the credit card. We borrowed money. Have a good time today. There is, indeed, a free lunch. You do not have to pay for it today. Eat, drink, and be merry today. Let our children pay the bills tomorrow.

At that time in the early Reagan years, Senator Howard Baker described the radical new approach that we were undertaking as "a riverboat gamble." Regrettably, it was a gamble that we lost.

As a result of the fiscal folly of the past 12 years, we are left today with budget deficits and a national debt that is skyrocketing out of control.

Let us take a look at our national debt on the chart beside us. Our national debt stands today at over $4 trillion, $4.114 trillion. That is a lot of money. How long does it take to count $1 trillion at the rate of $1 a second? it would take 32,000 years.

On January 20, 1981, when the Great Communicator was sworn in on the west front—and by the way I had more to do with that swearing in on the west front than anyone else had—it was I who insisted that we change from the east front to the west front of the Capitol for the inauguration, and that was a good move. So we had our first swearing in there on the west front. It was a marvelous view. On January 20, 1981, when the Great Communicator was sworn into office, this country had a national debt of $932 billion, $932 billion. Not quite a trillion dollars. After 192 years and 39 administrations, this country had a debt of $932 billion, $932 billion. It had gone through all the administrations: George Washington, John Adams, Jefferson, Madison, Monroe, John Quincy Adams, Jackson, Van Buren, Harrison, Tyler, Polk, Taylor, Fillmore, Pierce, Buchanan, Lincoln, and the first Johnson, Andrew Johnson, and then Grant, Hayes, Garfield, Arthur, Cleveland, Benjamin Harrison, and Cleveland again.

Then McKinley, Teddy Roosevelt, Taft, Wilson, Harding, Coolidge, Hoover, Franklin Delano Roosevelt, Truman, Eisenhower, Kennedy, Lyndon B. Johnson, Nixon, Ford, and Carter.

Our country endured through all of the panics; the panic of 1837, the panic of 1857, the panic of 1873, the panic of 1893, the Great Depression of the 1930's. Our forefathers paid off the Revolutionary war debts, they paid the costs of the War of 1812, the war with Mexico in 1846–1848, the Civil War, the Spanish-American war in 1898, World War I, World War II, the war in Korea, in Vietnam, all of these, mind you, yet the country had run up a national debt of $932 billion—less than $1 trillion.

But as President Reagan once said, "You ain't seen nothing yet." Well, we had not seen anything yet.

In the 12 years of the Reagan and Bush administrations, and the Bush and Quayle administration, that debt more than tripled—more than tripled—in the end, we had a quadrupling of the national debt, $4.114 trillion. That is how we got there.

Well, I voted for the tax cut Mr. Reagan had promised with all these magic incantations. I listened to him and I voted for them, and I voted for the massive buildup in defense spending. I voted for everything that came along in defense. You name it, I supported it here on the floor.

What is the result of a national debt of this proportion? This debt continues to rise with supersonic speed. When I was in high school we read a book, "Around the World in 80 Days," by Jules Verne, 80 days around the world. Today, men travel around the Earth in 80 minutes. And we are going upward at supersonic speed, with this national debt.

Well, the interest on the debt was $69 billion in 1980. And for this year it is going to be $199.6 billion.

Now we hear all this ripping and roaring and gnashing of teeth and shedding of tears about taxes. And I have had my handkerchief out, also, shedding a few tears myself.

But what about this hidden tax, this interest payment on the national debt? That is a hidden tax. And you pay it and you pay it and you pay it and I pay it and they pay it and she pays it. We all pay the hidden tax on the national debt.

(Mr. KERRY assumed the chair.)

Mr. DOMENICI. I do, too.

Mr. BYRD. The Senator from New Mexico does not want to be left out in this. He pays it, too.

He pays it, too, that noble Roman. This is a hidden tax and it buys not one

textbook for the schoolchildren of the Nation.

Well, within the next few weeks, we, in the Congress, will be asked once again to raise the statutory limit on the Federal debt, and we will be forced to do so. No doubt, there will be much wrangling; we will hear a great deal of lofty rhetoric that will make the rafters ring; many fine speeches will be made. But, in the end, after the dust has settled and the smoke from the vocal guns has floated away, we will have to raise the debt limit. We will do so in order to avert shutting down the Federal Government and to avoid wreaking havoc in the lives of millions of Americans. For the 27th time in 12 years, we will raise the debt limit so that Social Security checks can be mailed out, so that veterans can continue receiving medical care, so that the FBI and the DEA can continue to fight crime and drugs in America, so that disaster assistance can continue to flow to those battered by blizzards, tornadoes, hurricanes, and other acts of Nature, and the list goes on.

Again, we will raise the debt limit, and many may view our doing so as a sign that, despite all the talk of change, business as usual continues in Washington. Yet, before we take up the issue of raising the debt ceiling, we have an opportunity to show the American people that business as usual is not the order of the day. We have an opportunity to show the American people that we intend not only to talk about change, but also to enact change, and that opportunity is before us today in the form of the fiscal year 1994 budget resolution reported by the Senate Budget Committee.

The resolution before us represents a complete turnaround from the failed fiscal policies of the past. It provides for deficit reduction of $500 billion over the next 5 years, and it does so through a balanced mix of both spending cuts and revenue increases. Moreover, it signals an equally important change in our fiscal priorities by providing for enactment of a package of investment initiatives that will allow us to address infrastructure needs too long neglected, and thus help lay the foundation for strong and steady economic growth in the years to come. Even with these investment initiatives, the resolution reported by the Budget Committee will produce $500 billion in deficit reduction over the next 5 years.

Now, there are those who suggest that the resolution before us is inadequate, that it does not go far enough or fast enough in terms of reducing our budget deficit. Others criticize it for its mix of spending cuts and revenue increases. To both, I would respond by urging them to take a second look. These are the most difficult of times. We face the conflicting pressures of wanting to gain control of a budget that is unquestionably out of control; yet, of having to do so in the midst of an economic recovery of uncertain strength and fortitude. We find ourselves walking a fiscal tightrope—trying to bring down the deficit in an orderly fashion without either going too slow, so as to raise concerns about the legitimacy of our endeavor, or too fast so as to slow our economy and risk throwing it into recession.

To those who suggest that $500 billion of net deficit reduction is not enough, I urge them to consider the consequences of pushing too hard and throwing our economy back into recession. As we struggle to bring down the deficit, nothing would be more counterproductive than to set too high a target and cut short the current economic recovery. To those who argue for greater spending cuts and fewer revenue increases, I likewise urge them to recognize that reducing spending can create a drag on the economy, and therefore, poses risks of its own. Although one might question or debate the relative productivity of certain types of Government spending, one cannot deny that Government spending generates real economic activity. When the Government spends money, that money does not simply vanish into thin air. To the contrary, it goes toward buying goods and services, toward paying salaries, toward increasing disposable incomes—to repeat it, it generates economic activity. Cutting spending can have real, adverse economic consequences. To blindly call for further massive reductions in domestic spending, seemingly without any regard for the negative impact such cuts could have on our economy, is foolhardy.

Finally, to the critics of the budget resolution reported by the committee, I would draw their attention to the extraordinarily positive reaction of the financial markets to the President's economic proposals. While not identical to the plan unveiled by President Clinton last month, the budget resolution before us conforms to the basic outlines of that plan in that it seeks to both reduce the deficit and increase public investment. Again, I believe the undeniably positive reaction of the financial markets to the President's plan confirms the appropriateness, both as to its timing and its balance between spending and taxes, of the deficit reduction plan contained in the resolution of the Senate Budget Committee.

In addition, I believe it appropriate that we all ask ourselves, what is our reason for wanting to gain control of our budget and stop the runaway increase in our national debt? What motivates us in this endeavor? Clearly, it is that we wish not to burden our children and our children's children with an unmanageable debt that will stifle economic growth in the years ahead and keep them from enjoying an ever-rising standard of living as we have enjoyed—a rising standard of living. The folly of the past 12 years is not simply the enormous debt that was accumulated. It is more the fact that an unprecedented amount of debt was taken on without any corresponding buildup in investment. Simply put, the tragic legacy of the 1980's is that, from a mountain of debt, we made but a molehill of investment. We took on more than $3 trillion of debt in only 12 years; yet, we invested little, little—we invested little in our Nation's infrastructure, in our workers and our children, or in civilian research and development—public investments that help maximize the return on private investment and enhance productivity growth. Now, we face runaway budget deficits, we spend $200 billion a year on interest on the national debt—that $200 billion is a hidden tax—and our economy is mired in the most anemic economic recovery on record.

Sadly, the policies of the past are demanding their due. The chickens have come home to roost.

Fiscal policy should be directed at laying a foundation that will encourage and promote economic growth. Government itself may not be the engine of economic growth, but it certainly can help lay the tracks and maintain the rail bed. The focus of our efforts should be to establish policies that promote investment and thus lay a foundation for sustained long-term economic growth. Investment is the key to long-term economic growth. The proper role of Government, therefore, should be to promote investment, not impede it.

It is in this regard, however, that our national debt and the projections that are made of future budget deficits are so troubling. When the Federal Government, year after year, incurs one record-breaking deficit after another, we impede private investment by the very fact that private investors are then forced to compete with the Government for the limited pool of available investment capital. At the same time, the cost of carrying our debt—the interest the Federal Government must pay to finance its debt—also impedes our ability to finance important public investment projects.

The cost of carrying our debt: $200 billion, a hidden tax with no return to the taxpayer. It does not buy one lead pencil.

Our massive debt not only forces us to forego the important direct benefits that public investment can provide, but also causes us to lose the stimulative effect that public investment can have on private investment. In my view, the evidence is clear: public investment not only benefits our economy directly; it also encourages greater private investment.

In the eighties, we had a Johnny-one-note policy based on the magic and popularity of low taxes. In the 1990's,

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we woke up to the sour notes of a long recession, massive unemployment, rising deficits, and a slipping standard of living. In reality, the cut-spending crowd really only cut the heart out of domestic spending. Somehow they did not count Pentagon spending as spending. They were fond of saying, you can't just throw money at a problem. But, look at the money they threw at the Pentagon. Everybody remembers the $600 toilet seats and the $14 light bulbs. That was the folly of the 1980's.

We pumped up the Pentagon with every spare dollar we could get our hands on. But we could spare only pennies for our infrastructure needs.

We slashed domestic spending but the administration forced cuts in domestic discretionary spending. They called it all pork barrel and waste—pork barrel. Pork barrel: Bridges, highways, water, sewer facilities, airport construction—not large airports, except one, but still airport construction. That is pork, they say. We spent $9 billion in Federal funds on the metro system here and I have been fully supportive of it. Is that pork? No. That is in the District of Columbia and environs. All of this infrastructure is investment in our country.

Meanwhile, billions were wasted in a defense spending orgy. We did not fuel our domestic engine of growth, the private sector sagged, and the only thing that flourished was the deficit. We became so enamored of cutting taxes that we undercut our ability to provide basic services to our own people. It was easy. It was popular.

Yes, I was able to go back to West Virginia and say, well, I listened to what you said. You said give this man a chance. And he wanted to cut taxes and I cut them. I voted to cut taxes for the wealthy. That is easy; easy. Easy, as they say, as falling off a log—back in the sticks from where I came. Easy as falling off a log: Cut taxes, raise the standard high—I am for cutting taxes. And so we cut taxes.

Who wants to vote to increase taxes? I do not. Who gets any pleasure out of that? I do not.

Who gets any pleasure out of paying taxes? I do not. But you cannot get something for nothing.

So it was popular, but it was disastrous for the very taxpayers that we were trying so hard to placate.

So what do we hear now from the other side of the aisle?

The PRESIDING OFFICER. The time of the Senator and the time of the Senator from Tennessee has expired.

Mr. SASSER. Mr. President, I yield to the distinguished chairman of the Appropriations Committee such time as he might consume off the bill.

The PRESIDING OFFICER. The Senator has that right.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Tennessee.

Cicero was asked which of Demosthenes' orations he liked best? His answer: The longest.

This is not my longest oration. I am not going to keep the Senate waiting unduly.

In addition to vociferously opposing efforts to scale back our military budget, we hear nothing but disparaging remarks about the President's efforts to boost public investment in America.

If he were living back in the late 1800's, he might also expect to see the flash of a gun from the pocket of a Senator from Mississippi threatening the Senator from Missouri. But we try to keep our tempers in check. Yet, passions are inflamed.

We are told over and over that Government is too big, and that we cannot afford to increase spending by even a dime. Yet, Mr. President, I must protest. For too long, those who would seem to prefer that Government do nothing but "raise and support armies" have been allowed, unchallenged, to portray the Federal Government as an unruly behemoth that overtaxes and overspends, and I fear that much of our citizenry has been taken in by such arguments.

However, the facts, surprising as they may be to many Americans, and perhaps shocking as they may be to many of my colleagues on the other side of the aisle, are that Federal taxation is no higher today than it has been, on average, over the entire postwar period.

Let me explain that. That sounds like a rather outlandish statement.

On the chart to my left, we begin with the Eisenhower administration—that is when I came to Washington. I was sworn in while President Truman was still President. I will always be proud of that. I served under President Truman for 17 days, from January 3 to January 20, 1953; a long time ago. Only one man over on the other side—in the House—has seniority over me on this Hill. So there I was, when Dwight Eisenhower came into office.

This chart shows total Federal outlays and revenues as a percent of the gross domestic product, GDP. And taking, for example, during the administrations of President Eisenhower, total outlays were 18.3 percent of the gross domestic product during his administration.

The next bar represents the Kennedy-Johnson years. The next bar represents the Ford-Nixon years. The next bar represents the Carter years. The next bar represents the Reagan years, and the last bar represents the Bush years. And the same can be said for the bars on the far end of the chart, which are the revenue bars.

So if the viewers will pay close attention, they will see that during this period, going back to the Eisenhower years, total Federal outlays have increased, as a percentage of the GDP, from 18.3 percent during the Eisenhower years to 23.3 percent during the Bush years; in other words, 5 percent increase in outlays as a percent of the GDP.

Revenues, meanwhile, have remained fairly level, going back to the Eisenhower years and proceeding on down through the years under Mr. Bush. We will note that revenues as a percentage of the gross domestic product remained fairly level. That may sound like an astounding statement, but it really is not. It is a fact. Keeping in mind that the gross domestic product, when I first came to Washington at the beginning of the Eisenhower administration, was $223 billion, going back to 1947, the first year, may I say to the Senator from Tennessee, that I served in the West Virginia House of Delegates.

Mr. SASSER. Will the Senator yield for a question?

Mr. BYRD. Yes. Could I just make one other statement? The gross domestic product back in 1947, which is a little farther back here—we just did not have room to extend this chart—but the trend was the same. In 1947, the gross domestic product of this country was $223 billion; $223 billion, not much more than the interest on the national debt that we pay today, which is about $200 billion. But in 1992, the gross domestic product was $5.9 trillion; in other words, it was 24 times as much as it was back in 1947 when Harry Truman was President and I was a greenhorn down in the West Virginia Legislature.

But as a percentage of the gross domestic product, the revenues have not grown very much. Let us go to the next chart.

Mr. SASSER. If the Senator will withhold for just one moment.

Mr. BYRD. I will yield, yes, I am sorry.

Mr. SASSER. Looking at this chart and looking at the years 1982 through 1989 in outlays, we see a growth there of from 21.8 percent of GDP to 23.2 percent of GDP in outlays.

Mr. BYRD. Yes.

Mr. SASSER. While at the same time, on the revenue side, we see a decline in revenues of 19.3 percent of GDP to 18.7 percent of GDP.

Mr. BYRD. Yes, precisely.

Mr. SASSER. And if I recall the Senator's previous charts, those are precisely the years in which we had the explosion of the deficits in the Reagan years.

Mr. BYRD. That is right.

Mr. SASSER. So what the Senator is demonstrating here by his charts is that outlays going up in 1990's—when they said they were cutting spending, Government spending, the outlays were really going up as a percent of GDP faster than any other period shown on the chart and revenues were coming down.

Mr. BYRD. Yes. Exactly.

Mr. SASSER. So that would explain the explosion in the deficits that occurred during the decade of the 1980's. Is that right?

Mr. BYRD. That would certainly help to explain the explosion.

Mr. SASSER. I thank the Senator.

Mr. BYRD. Let me show the Senator something that will be even more of an eye opener.

Let us think about Social Security outlays and revenues, off budget now, Social Security outlays and revenues.

Going back to the Eisenhower administration, as a percentage of the gross domestic product, Social Security outlays were 1.5 percent of the GDP during the Eisenhower administration. And the viewers will note that as the years went by, the percentage of GDP represented by Social Security outlays increased to 4.2 percent of the GDP during the Bush years—remembering, the GDP had increased 24 times over what it was in 1947. So as the GDP was going up, these were going up also. But they were rising more as a percentage of the total GDP over those years.

Now look at the revenues in Social Security. Keep your eyes on the chart. The revenues from Social Security went up from 1.7 percent of the GDP during the Eisenhower administration to 5.2 percent of GDP during the Bush administration. In other words, three times as much—three times as much—percentagewise of the GDP over those years.

Now, as we go to the next chart, remember this chart and the earlier chart. Remember, in the earlier chart we said that revenues over this long period remained pretty much on a level keel as a percentage of GDP. Now, here is Social Security; it did not remain level. It went up, a steep climb, as a percentage of GDP.

All right. That is Social Security revenue. Now, what this chart would show is that, when we take out Social Security revenues over that period—take them off budget—they call it on budget. You take Social Security off budget and you say it is on budget. It is a little confusing, is it not?

George Romney said:

> I didn't say that I didn't say it. I said that I didn't say that I said it. Now, I want to make that very clear.

So it is a little confusing, is it not? On budget or off budget? Anyhow, when we do not count Social Security revenue—remember that revenues with Social Security included were level—when we take Social Security taxes out, what happens to the remaining non-Social Security revenues? They went down, went down from 16.2 percent of GDP during the Eisenhower years to 13.6 percent of GDP in the Bush years. Mind you now, that 13.6 percent of the gross domestic product for revenues, non-Social Security revenues, is the lowest in 50 years—lowest in 50 years.

So if we do not include Social Security taxes, the American people are being taxed less as a percentage of the gross domestic product today than they were 50 years ago. Meanwhile, the non-Social Security outlays have not increased very much as a percentage of GDP—16.7 percent during the Eisenhower period; 19.1 percent during the Bush period. In other words, non-Social Security outlays, increased only 2.4 percent from the Eisenhower years through the Bush years. Right? And the reason these outlays are up, the big reason, is the great increase in Medicare, Medicaid, and interest payments.

Now, let us talk just briefly about the amendment. What does this amendment do? It cuts $73 billion out of investment. It purports to reduce taxes by $73 billion. So it says no Btu tax, $73 billion. And how do we pay for it? Cut discretionary spending $73 billion. Where would the domestic discretionary spending be cut? Nobody says. But remember this, may I say to my friends on the other side of the aisle:

The Finance Committee is not being told to bring in a Btu tax. The Finance Committee can bring in whatever it wants or any combination of revenues to make up the $73 billion. So that is a reconciliation instruction to the Finance Committee. "You go out into the hedges and the byroads and come back with some revenues. We are not telling you to bring back a Btu tax. You do not have to come back with that particular tax; just go out and get $73 billion in revenues."

So the Finance Committee will abide by the reconciliation instructions, and, after careful hearings and discussions, that Committee will come in, if this budget resolution is adopted, with that amount of revenues or even less. But, may I say to my distinguished friend from Oklahoma—and he is my friend; he works closely with me on the Appropriations Committee—the Appropriations Committee is not given reconciliation instructions by the Budget Committee. The Appropriations Committee is not given reconciliation instructions by the Budget Committee. But if this amendment is adopted, the Senate will have voted to cut discretionary spending $73 billion. The budget resolution sets the allocation for the Appropriations Committee, and we live within our allocation. Every year that I have been chairman of the Appropriations Committee we have lived within our allocations, we have not gone over the caps. As a matter of fact, we have come a little under.

You pass this amendment, that is it. That is it for domestic discretionary spending. Discretionary spending is cut, and we do not know where. The Nickles amendment does not say where. That is it.

This budget resolution, let me point out, already cuts discretionary appropriations by $16.3 billion in 1994. We have a BEA cap of $513 billion for fiscal year 1994. The Budget Committee reported a discretionary figure of $496 billion. In other words, this resolution says that domestic discretionary appropriations are going to be cut by $16.3 billion in budget authority for fiscal year 1994 and $17.3 billion for fiscal year 1995, below the discretionary caps in the Budget Enforcement Act; in other words, below the summit agreement that I and many others in this Senate worked for. We are already getting the cut in this budget resolution. Now we are going to take another cut of $73 billion if the Nickles amendment is agreed to.

Mr. President, the budget resolution represents a turn in the road. It is honest. It is not based on phony projections of growth. It asks that all of us contribute to the economic welfare of our Nation and our people, as we all should. In the 1980's we were told a rising tide will lift all the boats, but the tide did not come in as far as we thought. Many of the boats stayed beached.

Mr. President, let me just refer to a remark that was made by a Senator on the other side of the aisle. Undoubtedly, Senators will be within their rights if they refer to my remarks. But we were told that we should hold President Clinton accountable for what candidate Clinton said. But I fear that what is going on here is an effort to hold President Clinton accountable for what President Reagan did. Ronald Reagan and George Bush put us in the hole, put us in this hole, this hole we are in right now. They led us down this destructive path.

President Clinton is doing what he can do to get us out of this hole. I do not particularly like a Btu tax. I come from a coal-producing State. I do not like it. My coal operators do not like it. My coal miners will not like it. Is there another man in the Senate who is the son of a coal miner? You are looking at one.

There is a song about the coal miner's daughter. I married one, a coal miner's daughter. We do not like this tax in West Virginia. We do not like any tax in West Virginia. I do not like this Btu tax. But the Finance Committee can adopt any sort of tax or any combination of taxes that they deem advisable. There is no Btu tax in this budget resolution. This is only a revenue number which must be raised in some way by the Finance Committee. Eliminate $73 billion in infrastructure spending. The Senator from Oklahoma would have us do that. The Senator is worried about the impact of taxes on the economy. But the offerers of the amendment are apparently totally unconcerned about the elimination of the infrastructure spending which helps to shore up the economy.

Mr. President, I have lived a long time. I was a boy about ready to graduate from high school during the Great Depression. We were promised two chickens in every pot and two cars in every garage. And I heard it ring,

"Prosperity is just around the corner," just around the corner. And I saw the faces of coal miners thrown out of work. I saw the little children of coal miners in raggedy clothes. I saw coal miners in the snow. I saw coal miners in the snow wearing hemp sacks around their feet. I saw coal miners who did not know where the next day's rations would come from. I saw the lines drawn in their faces, their weather beaten hands and gnarled fingers, wondering where the next meal was coming from. Soup lines were all over this country. Apples were sold on the street corners by the veterans. Millions of people were out of work, walking the roads in the country, saying, "Mister, can you let me have a dime?" And then Franklin D. Roosevelt was elected—he was a crippled man—and he and a Democratic Congress lifted this country from its prostrate position, flat on its back, lifted it to its feet and gave the American people hope. The farmer was able to go out and put a new coat of paint on the barn, a new roof on the house, send his children to school. And we saw the marshes dredged and the rivers bridged and highways built that gleamed in the autumn Sun, as they moved across the mountains, the Alleghenies, the Ozarks, and the mighty Rockies, to the western ocean.

How did that President do this? He had faith in the future, and a Democratic Congress invested in the country's future by appropriating moneys for infrastructure. Later, President Eisenhower came in. He was President when we authorized the interstate highway system across this great Nation. He was the President who oversaw its beginning. Today we have thousands of miles of navigable rivers, hundreds of thousands of bridges, over 500,000 bridges, in this country. Thousands of miles of highways—all of these were investments in the country.

I say we can do it again. I say that the country is on its knees, and the people are looking for a leader; and at last we have one who is not running away from the problem. He is not trying to bash the Congress and blame everything on the Congress. He is not afraid to lead. He is trying to lead. And the American people want to give him a chance to lead.

This amendment would destroy and gut his program. Our friends across the aisle want to immobilize this President right at the beginning of his administration. They want to gut his program of investing in America.

Mr. President, this amendment tries to eliminate a Btu tax that is not there and make cuts that are not specified. Mr. President, it takes the heart and the hands of all of us, working for the good of the Nation together. The policies of the past have failed. There was no free lunch. And morning in America quickly became the day after a tough night at the bar. Maybe those who want to continue that misguided course have not sobered up yet.

But the American people have. They know the economy is in trouble. They know that we cannot continue on the same tired track, pronouncing the same old platitudes of cutting domestic spending. Cut domestic spending, cut education, cut research and development, cut moneys for immunization against diseases among children, cut law enforcement, pull back on the war on drugs, rip the money out of our national parks, gouge the money out of our national forests, forget the rivers and harbors of the country; let them go to Sheol.

Let us worship at the altar of cutting spending. Do not say where you are going to cut, though. Where are you going to cut? Where are you going to cut? What do you propose to cut? Take it out of parks? Take it out of fish and wildlife, take it out of schools? Take it out of Indian Health Services?

Mr. D'AMATO. Will the Senator yield?

Mr. BYRD. Take it out of food stamps? Take it out of unemployment compensation? Take it out of veterans pensions, out of veterans compensation, out of the Commodity Credit Corporation, out of community development block grants? Take it out of training for unemployed workers, take it out of environmental cleanup? Where are you going to cut? Tell us. Be specific. We have been cutting domestic discretionary spending for years, and cutting to the bone.

The same old platitudes: cutting and spending. What spending? Military spending? That is Government spending. Medicaid, Medicare? Oh, they say, "We will not cut Social Security." That is off the table. So we know they will not cut that. What then, will they cut?

Mr. President, the old platitudes of spending cuts are portrayed as the bogeyman, and low taxes are a panacea for all this Nation's ills. That is pap and is bunk, and the American people know it. It is time to move on, and those who simply mean to obstruct and tear down should move their demolition derby elsewhere.

It is time to build. We have gone through 12 years of the slashing and burning and cutting, and what has it gotten us? We are at the point now where we are going to have to invest in our country, and it is going to cost us more to catch up. We are going to have to do something about the deficit, and it is going to cost us.

And for years we have stood on this floor and said to the White House, give us leadership. Give us leadership. If we have a leader, we will follow him. We do not need someone whose daily exercise is to slap the Congress around. That was the daily scenario, the daily ration, beat the Congress over the head, batter the Congress, and there are people in this Chamber who piled on the Congress.

But now we have a leader in the White House. He is trying to do something to clean up the mess. It hurts. There is pain in it. I have long said there would be.

The American people know that the time for a free lunch has ended, and they are interested in doing something about the fiscal deficit and doing something about this country's investment deficit as well.

When I was at the summit, I said we do not just have a Federal fiscal deficit; we do not just have a trade deficit; we also have an investment deficit. We have disinvested in this country so long that it is falling apart.

The time has come now to face up to the problem and do something about it, even if it hurts. Let us think of our children and our grandchildren.

Webster in his speech upon the occasion of laying of the cornerstone of the Bunker Hill Monument in 1825 said:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered.

Mr. President, let us, in our time, do something worthy to be remembered.

Mr. President, I urge the Senate to vote down this amendment, and to take a stand for what is best for our country, for our children, and for our children's future.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from Oklahoma.

Mr. NICKLES. Madam President, I have a couple very brief comments.

How much time remains on the amendment?

The PRESIDING OFFICER. Eighteen minutes.

Mr. SASSER. Madam President, will the distinguished Senator yield a moment?

Mr. NICKLES. I am happy to.

Mr. SASSER. Many colleagues on this side ask when are we going to vote. I expect they are doing the same on the Republican side.

Does the Senator expect to go beyond the 18 minutes allocated to him?

Mr. NICKLES. I do. To respond to my friend and colleague from Tennessee, I do for probably only 20 minutes. We have an additional 10 Senators asking to speak and I think they have all agreed to limit their remarks to 4 minutes.

Mr. SASSER. So the Senator thinks he will consume 33 minutes?

Mr. NICKLES. In addition—40 minutes.

Mr. SASSER. About 40 minutes on his side.

And then I know Senator EXON wishes to speak for 5 minutes on our side. Anyone else? And Senator KERREY of Nebraska wishes 2 minutes.

Are there any other Senators on our side wishing to speak this evening?

So that gives us some idea. In other words, if the Senator consumes 40 minutes on his side, and we have another roughly additional 10 minutes on our side, then we are looking at a vote some time in the neighborhood of 8:50 p.m.

Mr. NICKLES. The Senator is correct.

Mr. SASSER. I thank the Senator.

Mr. NICKLES. Madam President, first I wish to make a couple general comments, and I appreciate the history lesson given by our friend and colleague, the President pro tempore [Mr. BYRD].

Even if this amendment passes, I would like for my colleagues to know that revenues will still have $339 billion additional spending over the next 5 years.

I would also like my colleagues to know that even in outlays, outlay growth will still have additional $322 billion more than we are spending in 1993. Spending continues to go up and revenues continue to go up. But this amendment cuts both spending and taxes by $73 billion.

In other words, we do not want to raise taxes on farmers, on coal producers, on oil and gas producers, on the airline industry, on the steel industry, on the aluminum industry. That is going to cost hundreds of thousands of jobs. We are trying to save the economy, not cripple it. That is the reason.

Mr. DOMENICI. Madam President, will the Senator from Oklahoma yield?

Mr. NICKLES. I am happy to yield.

Mr. DOMENICI. I am asked the question, when will we get a time certain for this vote. Senators were pretty close to a time certain. The chairman tells me the Senator has an understanding which might lend itself to a unanimous-consent agreement at 8:45 p.m.

Mr. NICKLES. I think it would be 9 o'clock. We have 11 Senators requesting 4 minutes each.

Mr. SASSER. So that is 44 minutes, and we will take 10 minutes on our side. I think we could move to go ahead and vote at 9 o'clock.

Mr. DOMENICI. Does the Senator have me in for some kind of wrap-up of 2 or 3 minutes?

Mr. NICKLES. The Senator makes 12.

Mr. DOMENICI. The Senator wants 9:10 p.m.; is that the time he wants?

Mr. SASSER. I am just advised another Senator on our side wishes to speak. Will someone ascertain who wishes to speak?

Why do not we yield back to Senator NICKLES and the Senator and I try to work it out and at the conclusion of his speech here then perhaps we can enter into a unanimous-consent agreement?

Mr. DOMENICI. I ask that the time I use not be charged to his but be charged off the bill, not be charged to Senator NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield to the Senator from New Hampshire 4 minutes.

Mr. GREGG. Madam President, I thank the Senator from Oklahoma for yielding.

I, like many Members, especially new Members, was most impressed and found most valuable the perspective on history of the Senator from West Virginia. I found it fascinating. The fact he proposed an application, I found that most fascinating. Give us some on this side so we will be able to pass this amendment.

This amendment has a major impact on New England. We have heard a lot of western Senators. We heard a lot oil-producing States and coal-producing States and other energy-producing States. Let us talk a little bit about consuming States in New England. In New Hampshire 80 percent of the households heat with home heating oil. This amendment targets every one of those homes for a confiscatory tax. It essentially is a tax across the board—low income, middle income, high income. You pay this tax. You pay this tax. In New England you pay extra tax, twice as much as you do if you happen to heat with natural gas or electricity or hydro.

Why us, I ask, Madam President? I ask the other side of the aisle. Why did you pick on the States which depend so heavily on home heating oil for extra bonus of a tax? It does not make any sense to begin with, because it is regressive and attacks the middle class and attacks low-income individuals, but it specifically attacks with a tax at the very core of what makes New England function, which is our capacity to have energies which we can then convert to products and to jobs and to have available energy for our homes.

Someone said this was done in order to try to reduce the amount of oil that is being consumed in this country. Some thinker down at the White House decided that this was a way to protect the environment. We have to tell you in New England what is going to happen when you put a regressive tax like this on our people? They are going to change to other forms of energy. The other forms of energy probably will be wood and that is an extremely environmentally sensitive type producer of waste, smoke waste.

So it is a mistake environmentally. It is a mistake from the standpoint of cost. And it is certainly not fair to the middle-class taxpayer and middle-class income and low-wage earner in New England. It is Btu. Btu—that must stand for bad times for us, because that is exactly what is going to happen in New England if this tax passes.

I reserve the remainder of my time and yield it back to the Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield to the Senator from Montana 4 minutes.

Mr. BURNS. I thank the Senator from Oklahoma.

Madam President, I will not take my 4 minutes. I just want to remind our colleagues here tonight. We talk about deficit and erasing the deficit. We are not. If the President's plan went in right now, without any change we are still spending deficits. We deficit spend. We accumulate debt.

Now, take this. If you think your children are going to have anything to pay for after 4 years of the President's budget, you are wrong, because we still accumulate, by his figures, $1 trillion more debt on top of the $4 trillion that we have now. That is $5 trillion.

Now my dad always told me. "If you want good, sound advice about fiscal matters, go ask a man that signs checks on both sides, and usually you will get pretty good advice."

I listened to the Senator from Utah last night. Those of you who did not hear that and probably did not read it in the RECORD today, you missed a great speech.

I want to remind you that we accumulate debt. We deficit spend. There is a difference. We still, at the end of the 4 years or 5 years—I do not care; you pick a year—we still accumulate $1 trillion of new debt.

And if you think that is good for America, then you light up and vote yes on this Btu tax. I am not going to say anything about the fairness, but I want America to realize why we think it is pretty serious and why maybe somebody has a hard time understanding.

Just remember what I said: We deficit spend, but we accumulate debt.

To borrow words from Benjamin Franklin, nothing is certain except death and taxes.

Most folks do not mind paying their fair share of taxes. Yes, we grumble and complain as we send our tax dollars off to Washington, but we recognize that it is the price for the Government we are getting. The situation changes, however, when the tax system isn't fair, and this is the problem farmers and ranchers face with the President's proposed energy tax.

I strongly believe that President Clinton deserves a great deal of credit for bringing the issue of deficit reduction to the forefront and for putting an economic program on the table. His objectives are right on target. I am concerned, however, that his program, which relies more heavily on tax increases than on spending reductions, won't hit the established target of deficit reduction but will hit America's farmers and ranchers, who already operate on a slim profit margin, particularly hard.

Agriculture is an energy-intensive business, ranking fifth among all user categories in the consumption of energy. Farmers rely on some form of energy for putting in the crop, taking out

the crop, and moving the crop to market. Ranchers, too, depend on energy to maintain and move their stock.

The President's energy tax will increase fuels prices an estimated 8.3 cents per gallon. This means fuel costs for American farmers will increase an estimated $500 million per year. Farmers used 1.4 billion gallons of gasoline in off-road uses in 1991 and they used 2.8 billion gallons of diesel fuel. In addition to these direct fuel costs, prices for petro-based fertilizers and chemicals will also rise significantly. This will add an additional $500 million per year to the farmer's operating bill, making the total energy tax burden for America's farmer $1 billion.

Furthermore, under the Clinton package, America's farmers will also see $8 billion in Federal spending cuts and additional user fees over the next 4 years.

Farmers and ranchers, just like other Americans, are willing to tighten their belts and do their part in the deficit reduction battle, but it's clear that agricultural folks are being asked to do more than their fair share. Since 1981, Congress has reduced agricultural spending by more than $57 billion. In 1990, farm price supports were cut by 20 percent, more than any other program.

The simple fact is that spending on farm programs has decreased while Government spending on other entitlement programs, and the Federal deficit, has increased. Of today's entitlement programs, agriculture ranks No. 12, and of the top 12 programs, only farm program spending has declined since 1985 and only farm program spending is projected to continue to decline.

Now, I recognize just how difficult it is to come up with a balanced proposal where all are asked to make equitable sacrifices. If Moses himself brought down the Ten Commandments for long-term economic stability, I doubt that many in Congress would embrace him warmly.

However, the fact of the matter is that the President's economic package asks too much from agriculture. More than that, it asks too much from large, Western, rural States like Montana.

Not only are we going to take a hit because agriculture is our No. 1 industry, but we also have longer distances to drive and colder, longer winters than most. On top of that, we are also an energy producer. Coal, gas, hydroelectric—they will all feel the economic impact of increased energy taxes.

Instead of implementing energy taxes, I would like to see more legitimate reductions in Federal spending. The problem is not that the Government taxes too little. It is that the Government spends too much.

It is imperative that we work with the President in arriving at a more balanced approach for dealing with the deficit. My comments about the President's economic package are intended to be constructive. If the President is successful, then the country will be successful. If he country is successful, then Montana will be successful. If Montana is successful, then the job for our farmers and ranchers will be that much easier.

Mr. LOTT. Mr. President, I rise today to support the Nickles amendment which would strike the Btu tax. I would like to take this opportunity to vividly illustrate why I strongly oppose the Btu tax.

Toward that end, I ask the Senate to listen as I walk through the town of Yazoo City, MS.

A small town which has produced many of our State's most famous citizens, it is the home of Jerry Clower, the great country comedian. Willie Morris, the well-known southern writer. The new Secretary of Agriculture Mike Epsy—and the new chairman of the Republican National Committee, Haley Barbour.

The town is nestled in the hills which mark the beginning of the Mississippi Delta.

The county is roughly the same size as Rhode Island. The city population is 12,500, the total county population is approximately 25,000.

The per capita income for Yazoo City is $7,399, or only 45 percent of the national average.

It's economy is dependent upon agriculture, the production of agrichemicals and fertilizers, small manufacturers, and forest products. Every single aspect of the Yazoo City and county economy is energy intensive.

The question this Senator must ask is, What is the impact of the Btu tax in Yazoo City, MS, and all the other communities just like it across this land?

To start, let's look at Mississippi Chemical. Its the largest employer in Yazoo City—employing approximately 570.

It produces, on an annual basis, 720,000 tons of ammonium nitrate, 522,000 tons of nitrogen solutions and 500,000 tons of anhydrous ammonia. Mississippi Chemical estimates that the Btu tax will increase the cost of each ton by $6 to $9.

Mississippi Chemical's total cost of production will increase by between $10.4 million and $15.7 million. Will that mean lost jobs, lost markets? Yes.

Mississippi Chemical will be forced to pass what cost it can on to the farmer in Yazoo County. The farmer's cost of production will increase. That farmer, who is already paying higher fuel costs as a result of the Btu gets a double hit.

What happens next? The farmer may or may not be able to pass the tax any further. If he can, it goes in the food chain. Result—higher food costs for the consumer.

What happens to the rates the citizens of Yazoo City and County must pay? Yazoo Valley Electric and the Public Service Commission which serves the town and region will be forced to increase the rates an average of 5 percent or for a total of approximately $1 million to accommodate the Btu tax.

What will this tax do to the American taxpayer? A new Federal correctional facility will be constructed in Yazoo County and will be operational in 1996 just in time for the Btu tax to be fully implemented.

Using power requirements for the Yazoo Federal prison as provided by the Bureau of Prisons, the Btu will increase the cost of providing energy to the prison by an annual amount of $113,200. The bill will be paid by the American taxpayer.

The facility will House 3,800 prisoners. The Btu will increase the cost to the taxpayer of each prisoner by $30 a year.

Is this tax regressive in Yazoo City? Again the per capita income in Yazoo City is $7,399. For Mississippi, the average per capita income is $9,648. Yazoo City is substantially below the Mississippi average, both are significantly below the national average.

It is this type of tax that hits the poor, rural and agricultural communities the hardest.

The President says he will expand the LIHIP Program to address the regressivity. But let's examine that.

In Yazoo City, if LIHIP is fully funded as the President requests, it will only cover 10 percent of the households eligible. Or in other words, 90 percent of those eligible will not receive any assistance to make up for the harm of the Btu tax.

I have a list of companies in and around Yazoo City, each one will be adversely affected, jobs will be lost, costs will increase and inflation will rise. As you walk through this town, I want everyone to know what will happen in Yazoo City and the towns just like it around this country if a Btu tax is passed.

It will harm the economy of Yazoo City just as it will harm the Nation's economy. It will not reach any of the objectives put forth. The deficit will not be reduced—it will only pay for new spending. It will not reduce U.S. dependence on imported oil—dependence will increase, domestic production will continue to decline. The economy will contract not expand. Jobs will be lost not created. Competitiveness will suffer and inflation will rise.

For Yazoo City and for the Nation, I urge my colleagues to support the Nickles-Shelby amendment and to oppose the Btu tax.

I ask unanimous consent that the list of companies be printed in the RECORD.

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

Existing Manufacturers List, Yazoo County, MS

Standard Industrial Classification

AMCO Manufacturing, Inc.
Industrial Park
Post Office Box 1107
Yazoo City, MS 39194
(601) 746-4464
Lecil Lee, Plant Superintendent
Employees: M:20 F:2 T:22
Disk harrows 3523
Bedding equipment & power ditchers 3523
Terrace construction equipment 3523
Metal fabrication, custom 3599

Anderson-River Oak
Industrial Park
Post Office Box 1105
Yazoo City, MS 39194
(601) 746-2066/746-4054
FAX: (601) 746-3313/746-8730
Donald R. Bohannon, President
C. Pat Ramsay, Vice President & General Manager
Larry Kitchens, Vice President & General Manager
Employees: M:95 F:5 T:100
Drum debarker, Chips 3553
Kiln-dried foreign & domestic woods 2421

Apac, MS
Post Office Box 24508
Jackson, MS 39205-4508
(601) 922-8000
B.A. Atkins, President
David Barton, President Southern Division
Employees: M: F: T:
Asphalt..... ....
Paving Contractors..... ....

Architectural Millworks Ind., Inc.
Route 6, Box 268
Yazoo City, MS 39194
(601) 746-3876
Melanie Kitchens
Dewey Hood
Employees: M: F: T: 2431
Custom cabinets, molding, trim 2434

Barry Barnes Lumber Co., Inc.
Old Highway 3 South
Post Office Box 930
Yazoo City, MS 39194
(601) 746-9298
Barry Barnes, President
Employees: M:52 F:3 T:55
Hardwood lumber (red & white oak, ash, hackberry, etc.) 2426
Hardwood lumber (cypress, poplar, maple, cherry, etc.) 2426
Lumber, hardwood & softwood (rough, sawed & planed) 2411
Rough & semifinished timber & ties 2421
Kiln drying of lumber 2421
Hardwood flooring 2426
Hardwood paneling 2435

C-G Industries dba Marting Manufacturing
Industrial Park
Post Office Box 629
Yazoo City, MS 39194
(601) 746-1332
Cecil Cartwright, President
Employees: M:9 F:2 T:11
Aluminum fishing, commercial & chemical boats 3732
Hog & cattle feeders 3523
Hog & cattle scales 3576
Farrowing crates & handling equipment 3523
Hog & cattle waterers 3523

Carroll Gin Co.
Post Office Box 205
Holly Bluff, MS 39088
(601) 828-3462
Joe S. Stoner, Sr., President
Employees: M: F: T:
Cotton gins..... ....

Carson Printing & Office Supplies, Inc.
217 South Main Street
Yazoo City, MS 39194
(601) 746-1597
R.B. Carson, Sr., Owner
Employees: M:1 F:2 T:3
Commercial printing-offset (stationery, cards & forms) 2752
Commercial printing-letterpress (newsletters, posters, etc.) 2751

C'est Bon Millworks
816 W. Second Street
P.O. Box 1431
Yazoo City, MS 39194
(601) 746-1323
Billy Brewer, Shop Foreman
Employees: M:3 F:0 T:3 2431
Custom cabinets, molding, trim 2434

Crabtree Manufacturing
Highway 3 Bypass
Rte. 4, Box 99
Yazoo City, MS 39194
(601) 746-6591
Jimmy Crabtree, Owner
Employees: M:18 F:1 T:19
Machine shop & welding repair ....

Environmental Solutions, Inc.
625 East 12th Street
Post Office Box 1064
Yazoo City, MS 39194
(601) 746-7470
Alan Ramsay, President
Employees: M:9 F:4 T:13
Equipment—Extract silver from X-Rays & Photographic Solutions .. ..

Helena Chemical, Inc.
Industrial Park
Route 4, Box 102
Yazoo City, MS 39194
(601) 746-1515
Charles Johnson, Branch Manager
John E. Book, Fertilizer Manager
Employees: M:8 F:1 T:9
Fluid suspension fertilizer 2875

W.S. "Red" Hancock, Inc.
Old Highway 49
Post Office Box 207
Bentonia, MS 39040
(601) 755-2253
Raiford Hancock, President
Employees: M: F: T:
Construction—Oil Field Equipment .....

Greg Harkins Chairs
O'Possum Bend Road
Route 1, Box 27
Vaughan, MS 39179
(601) 362-4233
Greg Harkins, Owner
Employees: M:1 F:0 T:1
Rocking chairs, hand-made (oak & walnut) 2511
Rocking chairs, large-size (double, nannie & children's) 2511
Straight chairs, stools & benches ... 2511

Holly Bluff Gin Co.
Post Office Box 187
Holly Bluff, MS 39088
(601) 828-3757
John Phillips
F.H. Coghlan
Cotton Gins ....

Jim King Welding
58 Anderson Road
Route 1, Box 22
Yazoo City, MS 39194
(601) 746-3885
Jim King, President
Employees: M:1 F:0 T:1
Welding ....

Linwood Gin Co., Inc.
Ivy Dixon Road
Rte 1, Box 270
Vaughan, MS 39179
(601) 673-2229
Harrison Moore, President
Bill Parker, Manager
Employees: M:7 F:1 T:8
Employees: M:26 F:6 T:32
Cotton Gins ....

Memphis Hardwood Flooring Co.
Post Office Box 307
Bentonia, MS 39040
(601) 755-2962
Gene Gouch, Plant Manager
Employees: M:58 F:0 T:58
Hardwood lumber 2426

Midway Gin of Yazoo County
Rte 2 Box 49
Benton, MS 39039
(601) 673-9801
Harris Swayze, President
Employees: M:6 F:1 T:7
Employees: M:25 F:25 T:50
Cotton Gins ....

Mijo Lithographing Co., Inc.
304 South Main Street
Post Office Box 307
Yazoo City, MS 39194
(601) 746-4693
Burke Jones, President
Employees: M:2 F:4 T:6
Business Forms 2752
Commercial Printing ....

Mississippi Chemical Corp.
Highway 49E
Post Office Box 388
Yazoo City, MS 39194
(601) 746-4131
FAX: (601) 746-9158
Tom Parry, President
Employees: M: F: T:570
Ammonium nitrate 2873
Urea, nitrogen solutions & anhydrous ammonia 2873
Liquid carbon dioxide 2813

Nitrous Oxide Corp.
Rialto Road
Post Office Box 1085
Yazoo City, MS 39194
(601) 746-7607
Wardell Walton, Superintendent
Employees: M:5 F: T:5
Nitrous oxide 2813

The Printing Shop
Railroad Avenue
Post Office Box 338
Bentonia, MS 39040
(601) 755-2974
Stanley Simpson, President
Richard Sanders, Manager
Employees: M:1 F:1 T:2
Commercial Printing..... ....

Satartia Gin Co., Inc.
Post Office Box 125
Satartia, MS 39162
(601) 746-7033
James Cresswell, General Manager
Employees: M: F: T:
Cotton Gin..... ....

Simmons Farm-Raised Catfish
Route 4, Box 224
Yazoo City, MS 39194
(601) 746-5687
FAX: (601) 746-8625
Harry Simmons, Jr., President
Hardy White, Jr., Plant Manager
Employees: M: F: T:90
Fresh & frozen catfish (fillets, whole, nuggets & steaks) 2092

Southern Bag Corp.
Industrial Park
Post Office Box 389
Yazoo City, MS 39194
(601) 746-3631
FAX: (601) 746-3673
Rick Markell, President
Employees: M:125 F:75 T:200
Multiwall paper bags 2643
Stepped-end paper bags 2643

Spencer Ready Mix
HWY 3
Post Office Box 173
Yazoo City, MS 39194
(601) 746-6080
Jack Spencer, President
Employees: M:10 F:1 T:11
Concrete..... ....

Strickland Pallet Co.
Highway 3, Industrial Park
Post Office Box 1156
Yazoo City, MS 39194
(601) 746-4499
Sam Strickland & Mable Strickland, Owners
Employees: M:4 F:1 T:5
Pallets, wood 2448
Warren Pallet Co.
Old Highway 3
Post Office Box 797
Yazoo City, MS 39194
(601) 746-6245
C.L. (Pee) Warren, Owner
Esther H. Warren, Owner
Employees: M:6 F:1 T:7
Pallets, wood 2448
The Yazoo Herald
1035 Grand Avenue
Post Office Box 720
Yazoo City, MS 39194
(601) 746-4911
Roy Thomas, General Manager
Employees: M:5 F:5 T:10
Newspaper 2711
Yazoo Industries, Inc.
2003 Gordon Avenue
Yazoo City, MS 39194
(601) 746-3245
FAX: (601) 969-7058
Larry Loughman, President
Joey Ledlow, Plant Manager
Employees: M: F: T:350
Wire harnesses for automobiles 3714

Mr. NICKLES. Madam President, I ask unanimous consent that Senator DURENBERGER, Senator D'AMATO, and Senator GORTON be added as cosponsors.

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

Mr. NICKLES. I yield 4 minutes to the Senator from New York.

Mr. SASSER. Before yielding to the distinguished Senator from New York, the distinguished ranking member of the Budget Committee and I have been comparing notes here.

We are going to need an additional 20 minutes on our side and how much on your side?

Mr. DOMENICI. Forty-eight minutes.

Mr. SASSER. I thought some of that might have already been consumed.

Mr. DOMENICI. We can do it with 4 minutes less.

Mr. SASSER. Madam President, I will propound a unanimous-consent request.

I ask unanimous consent that a vote on the Nickles amendment occur no later than 9:15 this evening, and that the opponents of the amendment be allocated 20 minutes and the proponents be allocated 40 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. With the 40 minutes being under the control of the distinguished Senator from Oklahoma.

We have no objection.

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

Mr. SASSER. I thank the Chair and I thank the Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield to the Senator from New York [Mr. D'AMATO].

Mr. D'AMATO. Madam President, I rise to support the Nickles amendment.

Let me just get to some plain, ordinary common sense. I just read this little book called the Committee on the Budget, U.S. Senate. It only came out last week on the 12th of March, 6 days ago. It is interesting. I wonder how many of my colleagues, who were not on the Budget Committee, have had the opportunity to really read this. It is frightening.

I have to tell you that this tax proposal is a lesson in idiocy. Who the heck ever heard of raising taxes, not $73 billion like you are talking about—and, you know, the group we have in the gallery there, those sleeping mimmies. I am wondering where they are for the media.

They are going to raise taxes $95 billion—that is what they are going to collect—$95 billion in order to get, well, they say $73 billion, but Treasury says when you raise the $95 billion—and, by the way, these figures come from Treasury—we are going to raise $95 billion and you are going to wind up with $71.4 billion.

But you do not wind up with $71.4 billion. Guess what? Surprise. You wind up with $38 billion.

Now you have to be a pretty doggone stupid business person to say, "I am going to raise taxes $95 billion to come out with $38 billion." How would you run a business that way? And why should we run a country that way? And we are the board of directors. I cannot believe it.

You want to raise $38 billion net, so you raise $95 billion? You have to find a better way. This is ridiculous.

Because when you read page 31 of this little budget book, do you know what it says? In order that this $95 billion will not be so bad, we are going to help them. We are going to give additional low-income energy assistance, $2.9 billion. So we have to subtract that $2.9 billion from the net revenue.

Do not forget, we started with $95 billion.

We have to subtract the food stamps, because, after all, poor people are not going to have expendable income, not $12 billion, so we are going to subtract that. And we have an earned income tax credit to the poorest of the poor, because we do not want to hurt them, $26.8 billion. And so we subtract that.

We are down here. When you take the figures that come from this book, this budget book, $35 billion, because we said we are going to raise $95 billion, we get down to $71.4 billion when we raise $95 billion.

And let me tell you why. Because Treasury says businesses, the cost of the businesses, they deduct that from their income tax. So you see, even though you raise $95 billion, when the businesses of the country write off, and the individuals, what it cost them for this tax, you only collect $71.4 billion. And then when you take the $35 billion from that, you come out with $38 billion net.

Now, that is stupid. Do you want to vote for this energy tax and Btu tax? What member of the board of directors of the great Nation of the United States we are.

There was a little pin that it was taxing and spending, stupid. Well, that is right. That is it.

That is why this Senator, Senator NICKLES, says, "Junk this and you do not have to spend all of this and you do not hurt the economy."

Let me tell you what it does to my State. They are going to pay $1.2 billion for gasoline taxes; 10 cents a gallon more.

Let me tell you what it does to farmers in upstate New York. A minimum of $1,000 each; probably about $2,000 for every dairy farmer in New York. And they barely make it now.

Long Island, a basket case in the recession now, another almost $300 million for homeowners in Long Island. Those who have a gross income of $35,000 to $40,000 will pay between $400 to $600 a year more for their energy cost. Great. Great. Great.

The PRESIDING OFFICER. The Senator from New York has used his 4 minutes.

Mr. D'AMATO. I ask unanimous consent that I might be given another minute.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I yield the Senator an additional minute.

Mr. D'AMATO. This is great.

And we have been criticized for saying that you have a canard. Ninety-five billion dollars more, and you are only going to wind up with $38 billion.

And we say to people that if you really want to take advantage, you can apply for food stamps, then we are going to put you on a heating assistance program, and we are going to give you earned income tax credits.

Is that not great? We make a bigger class of more people on poverty.

Let me tell you something. If the rest of this budget is built on this kind of flimflam, we are kidding ourselves and those bunch of turkeys in the media besides. What a let-down. What a job they are giving to the American people. We should know better. They should know better, but we certainly should.

That is why we should support this amendment.

Mr. NICKLES. Madam President, I thank my friend and my colleague from New York for his statement. I yield to the Senator from Utah [Mr. HATCH] for 4 minutes.

Mr. HATCH. Madam President, I rise today in support of the amendment of the Senator from Oklahoma [Mr. NICKLES].

The decisions we are called upon to make in regard to the budget resolu-

tion before the Senate today are some of the most important and far reaching decisions that we are likely to make this year. At stake is the economic future of our Nation—both in the short-term and in the long-term.

During the debate on this resolution, the Senate is going to have to choose between two basic approaches to deficit reduction. The President's plan, as embodied in the resolution before us, represents an approach that will not achieve its intended result. On the contrary, the tax and spending increases in the budget resolution are directly opposite of where this Nation needs to go in cutting the deficit.

The alternative approach to deficit reduction is, of course, to strike all of the tax increases in the resolution and replace them with spending cuts. We will be debating just such an amendment later in this resolution's consideration on the floor.

There is much that I could say on the overall effectiveness of these two approaches, but I want to focus my remarks right now on the pending amendment, which would strike the most onerous of the taxes included in the budget resolution—the Btu tax.

The proposed Btu tax will have a very negative effect on the Nation's economy. What is worse, though, is that the tax will hit industries and regions unevenly. My home State of Utah will suffer a triple hit, which could lead to disastrous economic consequences for many Utahns.

First, Utahns, like other Americans, will pay much higher taxes directly as a result of this Btu tax. The administration indicates that the impact of this tax will only be about $17 per month for the average household. I suppose this $204 per year represents a minimal sacrifice that the administration feels that the average American family should gladly contribute for the sake of deficit reduction. I wish that were the extent of it. Unfortunately, this number does not even begin to tell the story of the Btu tax's effect on Utah.

The average Utah family is going to pay a lot more than $204 per year in higher costs as a result of this tax. Some estimates put the number at over $400 per year. Unlike the taxes most Americans are used to paying, though, the Btu tax will be disguised as higher prices. These higher prices will be on a variety of products and services that all of us purchase everyday. Utility bills, of course, will go up. But so will the cost of food, of a new car, of a can of paint, or of a pair of shoes for the kids.

Think about it. The burden of the Btu tax cannot be reduced to an innocent sounding $17 per month. Indeed, consider that every business's operating expenses will go up because of this tax—some more than others. Manufacturers will have to pass the additional costs on to their customers, or if they cannot, lay off workers. Farmers will have to charge more for food, or get out of farming. A service business will have to charge more for their services, or again, go out of business or lay off workers.

The second way that Utah families would be hit by this tax is through these job losses or business closings. This is a factor that seems to have been ignored by the Clinton administration. The fact is, though, that this Btu tax will lead to lost jobs. Estimates place the number of lost jobs at between 500,000 and 700,000.

It is easy to see the possibility of lost jobs in Utah. The economies of two Utah counties are based almost exclusively on the coal industry. This industry will be particularly hard hit by this tax. In fact, the National Coal Association estimates that the price of Utah coal will go up by a whopping 45 percent by the Btu tax, one of the highest percentage increases in the Nation. Much of Utah coal is sold on long-term contracts. When coal companies cannot pass these increased costs through to buyers, layoffs may be the only solution.

As a matter of fact, I spoke to a representative of a Utah coal company this afternoon. He told me frankly that the increased production costs to them, as a result of the Btu tax, would prevent them from opening a new mine they are considering. This proposed mine would provide 300 direct new jobs, and another 100 indirect new jobs to the local economy. For small rural areas, jobs like these would be highly sought and form the mainstay of a small Utah community's vitality.

It is one thing for a family to contribute $17 per month toward the deficit. But what do I tell a laid off Utah coal miner's family who has lost a job because of this Btu tax? That this is their contribution for the good of the Nation? What do I tell a community whose economic base has been dramatically reduced because its main industry is no longer cost effective? That this is tax fairness?

Agriculture is another vital sector of Utah's economy that will also be hard hit by the Btu tax.

According to the American Farm Bureau, the Btu tax will generally stifle economic output, increase production costs on farmers, cause farm prices to decline and jeopardize our ability to compete in world markets.

Rural Americans, by definition, live in relatively remote and less intensely populated areas. The cost of driving more miles to work, shop, send children to school, and to conduct a variety of other normal activities will be immediately felt. Rural Utahns tend to have lower than average incomes.

Agricultural production is highly energy-dependent. Farmers rely on gasoline, diesel, propane and other fuels for operating equipment such as tractors, combines, and trucks. They also heat barns for livestock, greenhouses for horticultural crops, have cooling tanks and storage facilities that require energy to operate. Farmers rely on electricity, gas and petroleum fuels for energy operated irrigation systems. These direct uses of energy will increase farmers' costs by an estimated $500 million per year when the proposed energy tax is fully implemented.

The costs of fertilizers and pesticides will increase because the main ingredients of these two items are natural gas and petroleum. As the Btu tax is assessed on these main ingredients in an analysis by the AFB will force farmers to pay $500 million per year to purchase these inputs.

This means, according to the AFB, the direct and indirect production costs increases will be an estimated $1 billion per year, nationally. In Utah, the picture is even more dramatic. I have three examples of Utah farmers who will see an increase in direct energy costs to their operations.

Rulon Gammon operates an 80-cow dairy with 180 acres of irrigated cropland in Vineyard, UT. He uses 5,650 gallons of diesel fuel and 2,000 gallons of gasoline annually. Using the projected tax rate increase of 7.5 cents per gallon on gasoline and 8.3 cents per gallon on diesel fuel, Mr. Gammon will spend an additional amount of $468.95 for diesel fuel and $150 for gasoline, for a total increase amounting to $618.95

Alan White operates a 700-cow-and-calf beef operation in Upalco, UT, which is located in eastern Utah's Duchesne County. Mr. White owns 700 acres of cropland, uses 5,500 acres of private range, and grazes his cattle on 30,000 acres of public lands. He uses 14,400 gallons of diesel fuel and 6,200 gallons of gasoline. With the projected increase per gallon from the Clinton energy tax plan, Mr. White's direct energy costs will increase $1,195.20 for diesel fuel and $465 for gasoline, or a total increase of $1,660.20.

Finally, Alan Kenison operates a 1,500-acre alfalfa hay farm, 80 percent irrigated, with a 1,300 head background feedlot. His operation is in Levan, UT. Mr. Kenison uses 22,750 gallons of diesel fuel and 7,950 gallons of gasoline. The new energy tax will increase his costs by $1,888.25 for diesel fuel and $596.48 for gasoline. The total direct cost for this operation will total $2,484.73.

These direct-cost increases may not mean much to many people who live in Washington, DC or within the Capital Beltway, but in rural America and the small farming communities of Utah, this is a big deal—an important matter in the livelihood of Utah's farmers.

The important bottom line to all of these figures is the reduction in net farm income. Nationally, the American Farm Bureau estimates the impact will be a reduction of 2 percent in net farm

income when the estimated $1 billion increased costs for agricultural production and agricultural inputs are combined. In the examples I just stated, Mr. Kenison will see a 3.1-percent reduction in his net farm income, and Mr. White will experience a 6.9-percent drop in his net farm income. And that is if all other costs associated with each operation remain the same, which we know they will not.

The Intermountain Farmers Association of Utah confirms that the Btu tax will cause the price of nitrogen fertilizers to increase by 5 percent for Utah farmers.

I hope it is obvious to everyone that farmers cannot absorb additional costs unless they can obtain more for their produce in the market place. I mentioned Mr. Alan White of Upalco, UT. He indicated this very fact to me today. He stated that since 1988, his property taxes have increased 70 percent, while the price per pound for one of his steers has remained below the 1979 price of 95 cents per pound. He was able to gain 90 cents per pound for the same product last year, so prices are coming back.

But this body needs to understand the impact this energy tax proposal will have on the farmer's pocketbook in Utah. Utah, as most of the West, has been suffering through a severe drought for the past 8 years. This, combined with the cost of using private pasture, the proposed increase in grazing fees, and other related expenses, will literally shove our rural people off the land which they love and which they covet. They know that the land is their livelihood, and bad management of this land will severely negate their livelihood as much, if not more, than the Clinton energy tax proposal.

I have received some preliminary information of what the proposed Btu tax will mean to an energy-producing, energy-consuming State like Utah. Imposition of the Btu tax would translate into a $184 million transfer of resources from Utah consumers and businesses to the Federal Government. In the near term, households will be faced with higher energy prices. This will require a larger share of the household budget and reduce disposable income. Accordingly, households could be expected to reduce their expenditures on other goods and services.

Overall, the impact of the tax on the Nation, and particularly on States like Utah, will be exactly opposite from what was intended. Jobs will be lost, Federal revenue will be lower, lives will be changed, and we will not achieve deficit reduction.

We must do better, Madam President.

Madam President, I have received some preliminary information that details the specific impact the Btu tax will have on Utah fossil fuel prices and Utah's five energy-end sectors. I ask unanimous consent this information be printed in the RECORD.

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

ISSUE DEFINITION

A principal feature of President Clinton's February 17th Economic Stimulus and Investment Package is the broad-based Btu tax on energy. In his State of the Union address, President Clinton cited reasons for choosing the broad-based Btu tax over other energy tax options the administration considered:

"Unlike a carbon tax, it's not too hard on the coal states, unlike a gasoline tax it's not too tough on people who drive a long way to work, and unlike an ad valorem tax it doesn't increase when the price of an energy source goes up."

Implementation of the tax would also help to meet other administration policy objectives to increase the energy efficiency of the economy, reduce oil imports, improve the environment through reduced growth in fossil fuel consumption, and help the economy by lowering the federal deficit. Furthermore, the broad base of the tax would keep the tax rate low and spread it evenly across regions, industries, and consumer segments throughout the United States.

The Clinton Btu tax plan should not only be viewed in terms of what it will do to achieve these important national policy objectives, but also in terms of its effects on economic activity in Utah. The following is an analysis of the features of the Clinton administration's proposed energy tax and an assessment of the direct impact on energy expenditures in the residential, commercial, industrial, agriculture, and transportation sectors of Utah's economy.

BACKGROUND AND ANALYSIS

The administration's proposed Btu energy tax is indexed to a fuel's Btu content. When implemented the levy will apply to coal, crude oil, natural gas, and nuclear fuel. Electricity generated by hydropower would be taxed on the average fossil fuel Btu input required to generate the equivalent amount of electricity. No tax would be levied on solar, geothermal, wind, biomass and other alternative energy forms. Fossil fuels produced for export and those used for nonfuels purposes such as chemical feedstocks would also be exempt. The basic tax for coal, crude oil, natural gas and nuclear fuel is 25.7 cents/million Btu. However, a supplemental "national security" tax of 34.2 cents/million Btu is proposed for crude oil, resulting in a total tax on that energy source of 59.9 cents/million Btu.

The tax would be phased in over three years with ⅓ of the tax effective July 1, 1994, two thirds by July 1, 1995 and the full tax imposed by July 1, 1996. When fully implemented in fiscal year 1997, the tax is estimated to garner $22.3 billion in revenues. Over the first five years it is designed to raise between $71 and $76 billion in revenues and is considered a crucial component of the administration's deficit-reduction plan.

The Clinton administration currently proposes the collection points for the Btu tax be at the point of first purchase: the minemouth for coal, at the refinery for crude oil, the port of entry for imported oil and petroleum products, the pipeline for natural gas, and the utility for hydro generated electricity.

Based on 1991 prices, the effects of the Btu tax on Utah fossil fuel prices will be significant:

Coal—Utah's underground mined coal will be taxed at a rate of 25.7 cents per million Btu which adds an additional $5.91 to the costs per ton. As a result the minemouth price will increase by 27 percent from $21.81 to $27.72.

Crude Oil—The 59.9 cents per million Btu tax on crude oil will be levied at the refinery and will translate into an additional $3.47 per barrel of oil purchased. Utah refineries acquisition costs will increase by 17 percent to $23.46 per barrel of crude oil purchased.

Natural Gas—The Btu tax levied on natural gas is the same as coal, 25.7 cents per million Btu. Under the Clinton proposal the price of Utah-produced natural gas sold for delivery to pipelines will increase from $1.56 per mcf to $1.80 per mcf, an increase of 15 percent.

How price increases at the point of first purchase ultimately translate into changes in energy prices paid by end-users will depend on the competitiveness of Utah's energy markets and the availability of alternative energy sources to end-use sectors. Moreover, the impact of the Btu tax on end-use prices will vary among consumers, regions of the state and sectors of the economy.

The analysis of impacts in this briefing is for the very near term. We assume complete pass-through of the Btu tax onto end-use prices and that no fuel substitution or consumption changes takes place.

ENERGY END-USE PRICES AND EXPENDITURES

Energy use has changed considerably in the last 20 years in response to energy supply shocks and economic adjustments to changes in the costs and availability of energy. Over this period Utahns have adjusted their consumption patterns to use energy more efficiently. At the same time the economy as a whole has shifted from more energy intensive industries such as mining and manufacturing towards less energy intensive activities producing goods and services. In 1991 Utah's five energy end-use sectors: (1) residential; (2) commercial; (3) industrial; (4) transportation; and (5) agriculture, spent approximately $3 billion consuming an estimated 571 trillion Btu.

Residential Sector—The residential sector accounts for approximately 20 percent of the primary energy consumed annually in Utah, including energy used to generate and deliver electricity to this sector. In 1991 as estimated 117.3 trillion Btu was consumed by households, with space heating and water heating accounting for over 50 percent of the total. If motor fuel consumed in vehicles owned by households is taken into account, total energy use by this sector is 185 trillion Btu, 32 percent of total energy consumed in Utah during 1991.

Based on 1991 energy prices it is estimated the implementation of the Btu energy tax will increase the average price paid per million Btu by the residential sector 5.6 percent. The tax would raise the average price for unleaded gasoline by 7.8 cents per gallon, natural gas prices by 25.7 cents per decatherm, and electricity prices by $.002/Kwh. Home heating oil prices would experience the largest increase, rising about 9 cents per gallon.

Historically, this sector has paid higher prices for energy than the other four sectors. In 1991 household expenditures on energy totaled $1.3 billion and averaged $2.535 per household. Motor gasoline represented the single largest energy expenditure for households at $1,322, followed by electricity, $619, and natural gas, $526. Fuel oil, coal and LP gas accounted for less than 5 percent of the total expenditures for space heating, lighting and operating appliances. Under the Clinton proposal annual average expenditures for all energy consumed by each household would

increase by $136, a little more than $11 per month.

Commercial Sector—Energy consumption by the commercial sector includes space heating and lighting for nonresidential, government-owned, and nonprofit institutional buildings, street lighting and certain other supporting services—including vehicles and trucks used in the delivery of goods and services by this sector. Over the past two decades economic growth and transition to a service-oriented economy have greatly expanded the commercial sector in Utah. As a result, consumption of primary energy for this end-use sector has increased faster than any other sector. In 1991 energy consumed by the commercial sector totaled 104 trillion Btu, or about 18 percent of Utah's total. Ninety-three percent of energy use for this sector involved space heating and cooling, water heating, and lighting.

In 1991, energy expenditures for the commercial sector are estimated to be $557 million. Electricity was the largest energy expenditure for this sector totalling $350 million, followed by natural gas, $134 million, and petroleum products used for space heating and transportation, $87 million.

On average, prices paid for energy by the commercial sector tend to be lower than those for the residential sector—especially for natural gas and electricity. Based on 1991 prices, the Btu energy tax is expected to increase total annual commercial energy expenditures by 5 percent to an estimated $27.4 million dollars. The average commercial firm's electricity bill will increase 4 percent, or $225 per year while the average commercial natural gas customer can expect their annual expenditures on natural gas to increase $224. In terms of increased costs of doing business, the tax is estimated to add about $1.45 to the commercial sectors' energy costs of $33.90 per $1,000 of gross state product.

Industrial—What is commonly referred to as the industrial sector includes not only manufacturing and processing, but also the activities of mining, agriculture and construction. However, for purposes of this analysis agriculture is treated as a separate sector of the economy.

The industrial sector is the single largest consuming sector accounting for 37 percent of all primary energy consumption in Utah during 1991. More so than in other sectors, the industrial sector consumes a wide variety of fuels in such diverse end-uses as heat, power, and feedstocks. Industrial energy users are also more flexible than the other end-use sectors in adjusting their energy consumption—switching fuels and processes as market conditions dictate. The most energy-intensive manufacturing industries in Utah are primary metals, petroleum refining, stone and clay products, and chemicals.

In 1991 natural gas accounted for nearly a quarter of all primary energy consumed by the industrial sector. Consumption of coal and petroleum products totaled 92 trillion Btu and were consumed in near equal portions. Electricity consumed by this sector was 22 trillion Btu.

Prices paid for energy by the industrial sector are typically lower than those paid by customers in other sectors. For example, in the case of natural gas, the rate industrial customer pay per Mcf averaged $3.69 in 1991 compared to $5.44 per Mcf paid by residential customers. In 1991 estimated industrial energy expenditures totaled $619 million.

The Btu energy tax will increase industrial energy expenditures an estimated 7 percent, or $45.4 million per year. An industrial firm's average annual electricity bill will increase $1,515. The average annual bill of a Utah natural gas utility industrial customer is estimated to increase $6,486. The estimated costs of petroleum products to industrial users will increase an average of 8 percent, raising total petroleum expenditures in this sector to $136 million form $127 million. In terms of increased energy costs per $1,000 of the industrial sectors gross state product, the Btu tax is estimated to add about $6.65 to the energy costs of $90.67.

Transportation—The transportation sector in Utah is almost entirely dependent on petroleum products for energy. In 1991, over 99 percent of the energy used in the transportation sector was petroleum-derived. In this analysis, the principal sources of transportation energy are diesel fuel and motor gasoline for freight trucks, kerosene-type jet fuel for airlines, and diesel and fuel oil used by the railroads. Motor gasoline for light duty vehicles (automobiles and light trucks) has been apportioned to other sectors. In addition, natural gas used to operate pipeline pumps should technically be included, but for purposes of this study has been assigned to the industrial sector.

As defined, this sector accounted for 59.1 trillion Btu or 10 percent of the energy consumed in Utah in 1991. Freight trucks consumed largest portion (46 percent) all in the from of motor gasoline and diesel. Airline and air freight companies consumed an estimated 25 trillion Btu of kerosene-type jet fuel and aviation gasoline. Railroads were responsible for the remainder of energy consumed, using 36.7 million gallons of diesel and fuel oil.

Since oil will be taxed at more than double the rate of other fuels under the Clinton proposal, this sector will be hit particularly hard by the Btu energy tax. Fuel costs represent between 6–8 percent of operating expenses of the trucking industry. The Btu tax would increase 1991 expenditures on motor fuel for Utah's freight companies $18 million from $234 million to $252. The airline industry would see jet fuel prices increase by 7 cents per gallon, adding $13 million in additional fuel costs when the tax is fully implemented. Railroads would experience the largest percentage increase in cost of fuels. Diesel fuel that sold for 72.5 cents per gallon before the tax would increase 9 cents per gallon, adding $3.4 million to the cost of fuel. Accordingly, the Btu tax is estimated to increase the transportation sectors energy costs per $1,000 of gross state product by $26.40 to $363.

Agriculture—At 5.3 trillion Btu consumed, farms represent the smallest energy consuming sector analyzed in this briefing. On a percentage basis agriculture accounts for less than one percent of total estimated consumption in 1991. For purposes of this analysis only energy consumption and costs associated with rising crops and livestock are included in analyzing the impacts of the Clinton Btu tax plan. Energy costs and impacts to farm residences is calculated separately and assumed to be the same as that of the average Utah household.

According to the Bureau of the Census, direct expenditures for petroleum products and electricity on Utah's farms represent 8.9 percent of total production expenses. In 1991, estimated energy expenditures on Utah's farms totaled $46 million. Of the total, $31.2 million was spent on motor gasoline and diesel fuel to operate light duty vehicles and machinery, $1.3 million for natural gas used in water heating and process drying. The remaining $13.3 million in energy expenditures was accounted for by purchases of electricity for lighting, cooling, heating and pumped irrigation.

The Btu tax is expected to increase total direct energy expenditures for Utah farmers by 7.3 percent, or about $3.4 million. The increase in energy expenditures when averaged over farm acreage implies that the energy expenditures per farm-acre will increase from $4.06 to $4.35. For a 1,000 acre farm of livestock operation this translates into an additional $290 in direct energy costs on the basis of 1991 energy expenditures. Adding $136 of increased energy costs of the average Utah residence to account for increases in costs to farm residences, results in an estimated total energy cost increase to a Utah farmer of $698.

In terms of increased energy costs per $1,000 output of gross state product, the Btu tax is estimated to add about $6.97 to a farmers' energy costs of $95.67 per $1,000 of gross state product.

CONCLUSIONS

Imposition of the Btu tax promises to have two types of effects on Utah's energy markets and economy: a direct effect on consumers' consumption and expenditures for energy because of an increase in energy prices, and an indirect effect on the macroeconomy of the state because of the fact that energy is a key intermediate input in the production of goods and services in the economy. The magnitude of the direct effects on Utah's economy will depend on patterns of energy use in each economic sector as determined by prices, supply, climate, demographics, intensity of energy use, and types and age of building stocks.

Based on this preliminary analysis and 1991 energy expenditure estimates, imposition of the Btu energy tax would translate into a $184 million transfer of resources from Utah consumers and businesses to the federal government. This figure represents less than one percent of Utah's gross state product.

Imposing the Btu tax for purposes of reducing the federal deficit would increase the costs of energy for nearly all end-users, reduce households disposable income, and possibly consumer spending, and increase business costs of providing goods and services. From the point of view of the residential consumer two impacts will prevail. In the near term households will be faced with higher energy prices. This will require a larger share of the household budget and reduce disposable income. Accordingly, households could be expected to reduce their expenditures on other goods and services.

The tax is also likely to increase the costs of doing business. Energy represents a key intermediate input in the production of goods and services. An increase in the costs of energy due to the Btu tax will raise production costs per unit of output for firms. This would place upward pressure on the price of intermediate goods and final goods and services in the Utah economy.

A complete analysis of the economic impacts of the Btu tax should include both the direct effects and the complex indirect interactions between changes in energy prices and consumption and how this translates into changes in economic activity in the overall economy. Due to limitations of time and the analytical tools currently at our disposal, only the direct effects are considered for this issue briefing.

Mr. NICKLES. Madam President, I thank the Senator from Utah for his excellent statement and I yield the Senator from Minnesota [Mr. DURENBERGER] 4 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Madam President, I rise in support of the amendment before us.

When I evaluate a proposed tax, I ask several questions:

First, is the tax needed?

Second, is the tax a fair and efficient way to raise needed revenues, and does it have any effect on the Nation's economy that need to be taken into account?

I want to be clear, at the outset, that despite the lesson of fiscal history from our colleague from West Virginia, I do not think this is the time to raise taxes on the American people, unless those taxes go for deficit reduction, as opposed to additional spending. One of the real pluses of this amendment is that it reduces spending to go along with the reduction in taxes that we would establish here. While the Btu tax is harmful, responding to political pressure by transforming it into some other kind of tax, to be determined later, is clearly not the way to go.

Second, the Btu tax is not a fair or efficient way to raise revenues which might, in theory, be needed.

Imposing taxes on energy at an early stage in production allows the tax to be collected at only a few points, but it introduces all kinds of distortions into the economy. Managing the various exemptions that are proposed by the administration would result in a nightmare of paperwork reminiscent of the bad old days of energy price controls. Our foreign trade position would be undermined, because the tax would probably not be able to be rebated on exports under international trade rules.

But, perhaps what troubles me the most and has troubled many of my colleagues, particularly on this side of the aisle, is that the tax has an adverse—almost a disastrous effect on the American farmer.

The American farmer is the cornerstone of the American economy. American farmers are price takers in a world economy. Imposing the cost of a Btu tax on them will further push them behind in their efforts to pay their bills.

The cost of many of the inputs in the farm economy, such as fertilizer and pesticides, will be raised sharply by this tax. The cost of drying crops will go through the roof.

All in all, the Btu tax will raise the direct cost of farming in Minnesota by thousands of dollars for a typical farm—perhaps $2,000 to $4,000 for the typical wheat farmer, $5,000 for the typical corn farmer, and as much as $15,000 for a typical potato farmer.

There will be indirect costs, as well. Farmers drive long distances in the ordinary course of their business and personal lives. They must depend on oil to fuel the transportation system that brings their crops to market.

I should note that farmers are hard hit by a variety of taxes in the President's proposal. The inland waterway tax, for example, will raise the cost of shipping a bushel of corn from the Midwest to New Orleans by 7 cents. The estate tax rate increase will hurt, and so will the personal income tax rate hikes. All in all, another shift of revenues from rural to urban—from heartland to coasts.

Farmers are not the only ones affected by the Btu tax. Gasoline would go up by 7.5 cents per gallon. Home heating oil would go up by 8 percent, electricity bills by at least 3 percent, and natural gas heating by 4 percent. Some energy producers might well reap windfalls by raising the price of their products, since oil is taxed at a special, higher rate.

All in all, Mr. President, the Btu tax—which of course will drive up everyone's cost of living, city or country, rich or poor—is simply a bad idea. I urge my colleagues to support the pending amendment and strike this tax's revenue from the budget resolution.

I ask unanimous consent that a portion of the recent remarks of Gerald Lacey, vice president of National Barley Growers, before a House subcommittee meeting on this issue be printed in the RECORD.

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

EXCERPTS FROM REMARKS OF GERALD LACEY

One of the most disturbing proposals for grain producers (including barley) is the combination of energy taxes and user fees which would severely impact grain marketing costs. BTU taxes are not fair in that they just do not hit us all equally. Farmers with our high energy inputs, such as fertilizers, chemicals and fuel for getting our tillage and harvesting done, get hit just too hard to survive. The proposed user fees or bare fuel taxes are going to add 15 to 20 cents a bushel to our grain that is already having trouble competing with world market grains that have lesser or no fees. Many farmers consider this ever increasing regulatory cost escalation as a greater threat to their success than the weather.

A decrease in payment acres would seem to be an untimely strategy which could further complicate the already discouraging GATT negotiations. The U.S. has had the past experience of unilaterally making production adjustments which have cost export market share and have disadvantaged us in our long competition with the European Community.

There have even been suggestions to reduce or even eliminate the Export Enhancement Program. That would seem to be the ultimate folly if we have any hope of maintaining a competitive stance in the world market. We would be rapidly shouldered aside by the predatory pricing practices of the E.C.'s restitution program and the single-desk marketing arms of our other grain exporting competitors. The same is true for proposed cuts in the important GSM credit programs which have been equally vital to the U.S. commodity exports.

Those are the specific budget proposals that we would single out as particularly threatening. We would also mention a cost scored against the USDA budget which we have never been comfortable with. I refer to the considerable freight differential costs that accrue to Agriculture when required to use U.S. flag while shipping under the terms of the Cargo Preference rules. Since those charges are, in essence, a subsidy to the merchant marine, we do not feel that it is fair that in this period of intense fiscal austerity, the USDA budget should be burdened with those outlays. At the very least, the line item should be subjected to the same vigorous attention that is being given to the commodity features.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank my colleague, Senator DURENBERGER, for his statement and I yield to Senator GRASSLEY for 4 minutes.

Mr. GRASSLEY. Madam President, I think this Btu tax is the most antifarmer, antirural portion of this budget.

Madam President, I am alarmed at what I read recently in a publication here, just out this week, called "Agricultural Commodities News and Views."

This quotes:

Vice President Al Gore is said to be "strenuously working against efforts to exempt ethanol from President Clinton's proposed Btu tax," says one source.

A source very familiar with meetings on this issue says Gore is "dead-set against any exemption for ethanol."

Madam President, as a Senator, Mr. GORE used to help us promote ethanol. You have to wonder what happened.

Certainly, such a tax would assure that MTBE monopolizes our reformulated fuels program, pushing ethanol and farmers out.

That, of course, would make big oil very happy, particularly Arco, which is the largest manufacturer and importer of MTBE—the largest importer in the world.

My colleagues may have noted the recent articles detailing the sudden fondness and support of Arco that they directed at the Clinton energy tax proposal. I think it is all starting to become very clear. But, Madam President, the Btu tax on ethanol is just one of many devastating provisions included in this budget resolution presented by the Clinton administration and Senate Democrats.

The waterway barge diesel tax will cost an average 400-acre grain farmer $5,000 in lost income. The direct and indirect cost of the Btu tax will cut income by another $1,600 for the average American farmer.

The increased costs of meat inspection will be passed back to the farmer. And, as the Washington Post recently noted, agriculture is getting hit with 6.4 percent of the budget cuts while it comprises only 1.8 percent of domestic spending.

Madam President, Iowa's farm crisis hot line, where people who are in trouble can call in to get help on emergency basis, is receiving the most calls that they have received since the height of the farm crisis in 1986.

In 1989, the average Iowa farmer netted an income of only $14,000. In 1991, that did rise quite a bit to about $21,000. But this budget, with all these tax increases and all these cuts, particularly the energy tax increase, is going to put our farmers and rural Americans out of business.

You have to ask, is that a plan? Again I want to quote from the Ag Commodities News and Views in answering this question. An EPA staff member was asked what would be the benefit to U.S. agriculture by leaving Clinton's energy tax package as is?

The EPA staff member's response was, "there would be fewer farmers."

Has President Clinton declared war against America's farmers, against America's rural citizens?

Has the President gotten carried away with the advice of Ken Cook of the Center for Resource Economics? Cook warned Clinton not to pursue "support from the farm community too aggressively" because Clinton drew "solid opposition in farm country" during the election.

I ask my Democrat colleagues who have talked to the President, is his idea of deficit reduction really an effort at family farm reduction via devastating tax increases?

We need a candid, honest answer. Your answers could help save rural Americans from the devastation of budget resolution, especially the Btu tax. It is the most antifarmer part of the budget.

Mr. NICKLES. I thank my friend and colleague, Senator GRASSLEY. I must say, Senator GRASSLEY worked hard for this amendment in the Budget Committee.

I now yield to the Senator from Kentucky [Mr. MCCONNELL].

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Madam President, I thank my friend from Oklahoma and commend him for this amendment. We have heard from a lot of Senators tonight, Madam President, about the impact of the Btu tax on America. I want to get very specific in terms of the impact on Kentucky.

In my judgment, the Btu tax is probably not going to produce the revenue that the President anticipates, in any event. Some would argue that it may even end up in the hole. But one thing we know is sure, one thing we know is certain, Madam President: The Btu tax is designed to discourage the use of fossil fuel.

How anyone from a coal-producing State could oppose the Nickles amendment astounds this Senator. Just looking at my State, for example, a University of Kentucky study indicates this tax will cost the Kentucky coal industry about $1 billion a year. That is $1 billion a year on the coal industry in one State, Kentucky. Many financially strapped coal operators will not be able to pass that cost through to their customers. The result: Mine closings.

Overall, the University of Kentucky study predicts the loss of 2,000 to 3,000 Kentucky jobs within 2 years of the implementation of this tax. This study was done by a respected University of Kentucky economist. It took a long, hard look at this and its impact on our State: 2,000 to 3,000 Kentucky coal jobs lost within 2 years, Madam President, of the implementation of this tax. You could not pick a worse tax, from a Kentucky point of view, than this tax.

Also, without some type of rebate for exports which may not even be possible under our trade laws, overseas sales of U.S. coal would simply be killed.

So, Madam President, what I want to talk about is the impact of this tax on one State: My State, Kentucky; $1 billion a year, 2,000 to 3,000 Kentucky coal jobs lost as a result of this tax. If Senator NICKLES' amendment is not successful, you can kiss those 2,000 to 3,000 jobs in Kentucky goodbye. This tax is a disaster for the Commonwealth of Kentucky, not to mention the impact on the country at large which has been described by speaker after speaker tonight. But this is terrible for Kentucky, the worst conceivable tax. All of this in the name of deficit reduction? In the name of deficit reduction, we are going to wipe out 2,000 to 3,000 Kentucky jobs.

Madam President, I rest my case based very narrowly on the impact on Kentucky.

Madam President, I rise today in support of this amendment to strike the energy tax from the budget resolution.

During the campaign, when George Bush predicted that Clinton would raise taxes on the middle class, Clinton howled in protest—and I quote:

> It is a disgrace to the American people that the President of the United States would make a claim that is so baseless, that is so without foundation, so shameless in its attempt to get votes under false pretense * * * it amounts to desperate tactics.

George Bush was right. Bill Clinton is raising taxes on the middle class—through his new Btu tax.

The amendment before us presents my colleagues on the other side of the aisle with a unique opportunity. By voting for it, they can help the President to actually keep one of his campaign promises and they can prevent a very bad idea from becoming law. The fact is, the Btu tax is regressive, inflationary, and will eliminate, not create jobs.

Families earning less than $10,000 a year spend 10 percent of their income on energy—excluding gasoline—while families earning over $50,000 spend less than 3 percent. Low- and middle-income families will bear the brunt of this tax.

The Btu tax actually taxes production, not consumption. This tax will raise the cost of making goods in this country, driving manufacturers and jobs offshore and reducing U.S. exports. That is hardly consistent with President Clinton's other campaign themes: stimulate economic growth and create jobs.

The Btu tax will not raise the revenue Clinton hopes to get. Because it is inflationary and dampens economic activity, the Btu tax actually could reduce income tax revenues. It will also drive up the cost of Federal entitlement programs which are tied to the cost-of-living index.

According to Clinton, the reason we have a Federal budget deficit is because we do not pay enough taxes. Never mind that the average American now works 126 days a year just to pay his or her tax bill. Taxes now take up almost 40 percent of American families' expenses—more than what families spend on food, housing, and clothing.

No, Madam President, the real reason we have a deficit problem is because Government taxes and spends too much. Congress has raised taxes 56 times in the last 30 years and for every dollar in taxes raised, spending has increased $1.59. Since the 1990 budget agreement, spending has actually increased $1.91 for each dollar in taxes raised.

President Clinton says higher taxes are needed to pay for his economic stimulus package. On this point, the President is about 22 months too late. Economic growth was up almost 5 percent last quarter, the seventh consecutive quarterly gain. In fact, the United States enjoyed the highest economic growth of any major industrial nation in 1992. Even if a stimulus was needed, it would take more than the $30 billion Clinton is proposing to put a dent in our $6 trillion economy.

The fact is, the President desperately wants to take credit for an economic recovery that was well underway when he came into office. After the American people feel the full impact of these new taxes, the President's approval ratings may need a stimulus, but for now, the American economy is doing just fine on its own.

Clinton's energy tax will not stimulate economic growth, produce jobs, or reduce the budget deficit. It will only impose a direct burden on middle-class America to pay for bigger Government. I urge my colleagues to support this amendment to scrap the Btu tax.

I certainly hope the Nickles amendment will be successful, and I commend the Senator from Oklahoma for his leadership on this important question. The Btu tax is a disaster for America. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, I yield 10 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, I thank the very distinguished floor manager for yielding to me. First, I want to say such equities as exist in the Btu tax can and, in my opinion, will be redressed. The Senator from New Hampshire made a valid point about the impact it will have on New England.

I can tell you as a Senator from a rural agricultural State that farmers get the biggest whammy of all out of the Btu tax, and I intend to do my very best, as my distinguished colleague from Nebraska and the rest of us will later do, to redress that. But make no mistake about it, the battle tonight is to try to find a defeat for the President of the United States. It is not because this is the last chance to address the Btu tax.

I heard the distinguished senior Senator from New Mexico this afternoon say we are only going to cut $7 billion in spending cuts—how silly can you get—over $4 billion in agriculture alone in cuts.

I intend to support this resolution to cut $500 billion off the deficit, and I want to send a clear signal to the American people that the zany years of the past 12 years are over. I cannot believe, as I reflect back on it, that on this very floor, the herd instinct swept across this floor. The President of the United States, Ronald Reagan, came to town on a solemn promise that I will balance the budget. That is the reason he was elected, on that solemn promise. Within 3 years—strike that—within 2 months, after his election, he said if you will only cut $2.5 trillion in taxes over the next 12 years, mostly for the wealthiest people of this country and double defense spending from $150 billion to $300 billion, that is the key to success; that is the key to prosperity and jobs. And the herd instinct swept across this floor.

You are looking at 1 of 11 Senators who did not believe it. A country lawyer from Charleston, AR, population 1,500, my native intelligence told me that is the craziest thing I ever herd, and I voted "no". And 12 years later, we do not have a balanced budget, we have a budget deficit that went from $920 billion when the President made that solemn promise in 1980 that is now over $4 trillion.

The lunacy, absolute lunacy that swept across this body now has this country on the abyss of an economic catastrophe. We have a young man who came from my home State. Yes, he is a dear friend, but I can tell you one thing. I have a credo that I believe in strongly and it is that you can tell more about the truthfulness of what a politician is saying to you by how unpleasant it is to hear it than any other thing. So when that young President went before the U.S. Congress and made his State of the Union Address, what did he do? He did not say, "Oh, if I could just get a line-item veto; oh, if I just had a constitutional amendment to balance the budget; oh, if it were not for that crazy runaway spending, tax-and-spend liberal Democrats." I cannot spend a nickel that Congress does not appropriate.

He did not give you any of that stuff you have been hearing for 12 years. He said, American people—he did not say it. I am saying it—I am paying you the highest compliment a man in public office can pay you. Do you know what that high compliment is? I am putting my trust in you with the truth.

Oh, how difficult it is for politicians to tell people things they would rather not hear. Politicians never think people can handle it. The truth of the matter is they can handle it. There is not a dirt farmer in Franklin County, AR, my home, that does not know that this country is in deep trouble.

About the only thing I have said to my President—and this was unsolicited. I told him, I said, I do not want to burden you, but I want to tell you, you are not just the country's last best hope; you are the country's last hope.

So he says to the American people and the Members of Congress, we are going to raise taxes. We are going to take some of the $2.5 trillion that went mostly to the wealthiest people in the country, we are going to take some of that back and we are going to start that deficit South. And the Btu tax, which is not perfect, I am going to put an investment earned income tax credit in there to help offset the burden of the Btu tax.

Have you heard anybody on the other side mention that tonight? Not one soul. Do you know where they show that? They say, "Well, look how much money the President wants to spend." Look at all this money here. Do you know why all that money is there on the earned investment tax credit? To offset the burden of the Btu tax for working poor people.

You have not heard anybody mention that.

Mr. President, if we had solved all of our problems in the last 12 years—education, crime, housing, health care—if, while we were spending $3 trillion in the last 12 years that we did not have, we had solved those problems, you might make some kind of argument in defense of the wild spending while we cut taxes the past 12 years. But that is not what has happened.

In the same period of time that we were quadrupling the Federal deficit and quadrupling the number of millionaires—and I have nothing against millionaires; I have been trying to join them all my life—we put 3 million people on the streets. I see them every night when I drive home, and you do, too. We have gone to about dead last among the developed nations in education. And there is absolutely no question that we have more people without health care than any nation on Earth—all while we built a deficit that is going to destroy the Nation if we do not heed this President saying this is your last best chance.

The same people who made the arguments about the key to prosperity is to spend $3 trillion you do not have stand before you tonight and say well, it is crazy to say that we are going to create jobs by taxing people. The Btu tax, if it were a gasoline tax, you would hear the same arguments. If it were any kind of tax, you would hear the same arguments.

This afternoon the senior Senator from Texas had a chart saying, why, they want to raise—they want to cut defense spending from 6 percent of GNP, which it was under Ronald Reagan, to 3.2 percent. And they want to increase social spending from 10 percent to 19 percent.

You bet. That is exactly what I want. That is exactly what any sane person would want. You heard the distinguished chairman of the Appropriations Committee this night say domestic discretionary spending as a percentage of the budget and GNP has actually declined. What we spend on ourselves for education, for health care, for highways has declined. Entitlements up about 140 percent, defense up 100 percent, and what we spend to make ourselves a great people declined. Is it not about time we start spending some money on ourselves to take people off the streets, to try to take the guns off the streets? It reminds me of people who stand up and defend being able to walk into a gun shop and buy an imported Chinese AK-47 with no questions asked, which is what the guy who shot up the CIA did.

The PRESIDING OFFICER. The Senator from Arkansas has spoken for 10 minutes.

Mr. BUMPERS. I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. The Senator is yielded 1 additional minute.

Mr. DOMENICI. They have no additional time, do they?

The PRESIDING OFFICER. The majority has 9½ minutes remaining.

Mr. BUMPERS. So, Mr. President, I want to plead with my colleagues, if you want to join with Senator KERREY of Nebraska, Senator DASCHLE of South Dakota, and other Senators here from rural areas to try to redress some of the injustices of the Btu tax on agriculture, please join us. We will do it. But do not use a resolution, the budget resolution, to try to embarrass the first President the United States has had who paid them that high compliment of putting his trust in them by telling them the truth. He said folks, we are in a heap of trouble. I would love to tell you something pleasant tonight, but it is not pleasant. We are

going to raise your taxes. We are going to cut a lot of spending. But I will tell you what, we have nothing more or less to lose than our whole future, our Nation.

My 3½-year-old grandson who spent the night with me last night deserves a future, so let us start tonight by helping preserve it for him.

I thank the distinguished chairman for yielding to me.

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

The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield the Senator from Delaware 4 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Madam President, I rise today to support this amendment to strike from the President's plan what amounts to a major tax increase on the middle class.

The President's new tax is based on the energy content of oil, coal and natural gas—the lifeblood of our economic strength. Virtually everything Americans do relies on energy usage. Consequently, not only will such a tax hit our manufacturing, farming and transportation sectors, but the service and retail sectors as well. It will inflate the prices of goods across the board and hit our families where they live—literally in their homes, every time they go to the thermostat * * * every time they draw a warm bath for their children * * * every time they turn on the oven or the stove to cook a meal. And on top of these drawbacks, this tax is not fair. Some regions will feel its effect more than others.

I would like to talk about its adverse effect on Delaware. First, under the Clinton plan Delaware has a disproportionate tax increase, placing its tax liability eighth of all States and the District of Columbia. This is from the respected independent research group, the Tax Foundation.

The Wall Street Journal placed Delaware in a similar position. Only Connecticut, New Jersey, the District of Columbia, Alaska, Massachusetts, New York, and Maryland rank ahead of Delaware in the amount of increased taxes their citizens will have to pay. According to the Tax Foundation, the net tax increase in Delaware per person, each year, will be $263. Over the 4-year term of President Clinton, that will be over $1,000 for each man, woman, and child, or $4,000 for a family of four. Obviously, this tax hike will have a dramatic effect on the economy in Delaware. Decreasing consumers' discretionary income to buy goods and services will hurt economic growth, and create inflationary pressures that will further rob the middle class.

My State's largest industry is agriculture, like it is in many other States. And I can tell you the farmers in Delaware know they cannot affort this energy tax, which has been estimated to increase production costs by as much as $1 per acre, or more.

In the northern part of Delaware, the chemical industry is our major employer.

According to the New York Times, the chemical industry is the fourth most energy intensive industry in the Nation, with energy taking up more than 5 percent of manufacturing costs. Chemical manufacturers consume 7 percent of the Nation's total energy supply. About half of that amount will be subject to the Clinton energy tax because of power consumed by production equipment.

It has been estimated that the chemical industry annual fuel bill will be increased by $10 billion, or 12 percent.

Does anyone think that these increased costs will not inflate prices to the consumer?

Does anyone think that increasing production costs in this global economy will improve America's competitiveness? This tax is not—I repeat is not—going to be rebated at the border. Some of us have concerns about our country's ability to compete with new excise taxes that are not export neutral—in other words, taxes that increase the cost of U.S. products, taxes that are not forgiven, when our products are exported.

The chemical industry is the Nation's biggest export sector, larger than agriculture, producing a surplus of $16.3 billion last year, down from $18.8 billion in 1991. Even without this energy tax, forecasts indicate further declines. With the tax, the declines will surely be greater. Only ceramics, metal refining, and paper production have energy costs higher than chemicals, and I might add that since one of our chemical employers owns a major oil company, the northern part of Delaware will have additional difficulties to overcome. After the recent layoffs in the chemical industry in Wilmington, it is hard for anyone in Delaware to support this tax as a growth proposal. In fact, the only growth that we will see from the Clinton tax plan is in the size of the Federal Government.

Finally, I would like to talk about the unfairness of this tax. In the Northeast, and Mid-Atlantic regions, where roughly 40 percent of the homes are heated with oil, we will be asked to pay more than anyone else. While natural gas, coal, and other fuels will be taxed at 25.7 cents per million British thermal units [Btu's], petroleum-based fuels like home heating oil in Delaware will be taxed at more than twice that rate, or 59.9 cents per billion Btu's.

This is not a luxury for Delaware families that President Clinton is trying to tax. this is a necessity. It is not just regions that are unfairly treated under the President's plan. It is the middle class.

This is the same middle class that candidate Bill Clinton told would enjoy a tax cut if he were elected. This new energy tax will hit virtually every family earning more than $30,000, and in fact will hit families earning much less. We all know how the administration arrived at its numbers, using inflated family income by adding health benefits, Social Security payments, imputed rent on their homes and other nontaxable items. Under this proposal, many taxpayers will have to pay the higher taxes, but not get the tax rebates that they had hoped for—the rebates the President indicated they would receive. For example, one of my constituents, Mr. James Barry, wrote to me because he makes less than $30,000 and will have to pay from $300 to $500 a year in higher costs because of the Clinton energy tax. You see, he does not qualify for the earned income tax credit offered by the President, because he's retired. And every retiree without earned income is going to suffer the same fate. So, if you are retired, hold onto your wallets. If the IRS does not get you with the Social Security tax hike, it will get you with the energy tax because you do not qualify for a tax rebate. Those who work and have no children at home, but earn between $9,000 and $30,000 will have a big tax increase, too, because they do not qualify for the President's earned income tax credit, either. Believe me, there are plenty of these families, too.

Simply stated Mr. President, America cannot afford this tax at this time. We must be focused on creating economic growth, competing from a position of strength internationally, and providing security for our families here at home. This tax is not only unfair to certain States and regions in America, but it will be adversely felt by virtually every American.

In sum, we cannot tax America into prosperity.

Mr. NICKLES. Madam President, I yield 4 minutes to the Senator from Idaho. Would you inform me how much time remains on our side?

The PRESIDING OFFICER. Fifteen minutes fifty-five seconds.

The Senator from Idaho [Mr. CRAIG] is recognized.

Mr. CRAIG. I thank my colleague from Oklahoma for yielding and I stand in strong support of his amendment this evening.

I have listened with amazement this afternoon and evening, Madam President, as Senator after Senator has come to the floor and said, "We have got a bad tax, but we have got to vote for it."

You just heard the Senator from Arkansas say it is going to hurt farmers, it is going to hurt families, and it is going to hurt working men and women, and we will fix it sometime down the road, but you have to vote for it tonight.

Citizens in my State were asking me that question. Several weeks ago when

I said I could not support this because it would lay Idaho agriculture to waste, and when I gave them the figures they knew why I could not support this President on this issue. He is wrong. That is why. But the other side of the aisle tonight does not dare give this new President a defeat on his first outing. That is what is at issue here.

The Senator from New York said it is a dumb tax, and it is a dumb tax—and 600,000 jobs in this country. I do not care how you try to subsidize your way out of that one. You cannot do it. And $504 per Idaho family on Btu alone. You know, Idaho is a blessed State. It has a unique resource. It is called hydro. Yet, this administration figured out a way to get to an environmentally benign high-quality, high-producing energy source, hydropower. Why did they do what they did? Here is what they did.

They said we will equate hydro in relation to Btu per kilowatt-hour of 10,315 when other nations of Europe, Sweden, and Norway, say if you do anything over 3,000 in a Btu to kilowatt-hour equivalent, you throw it out of proportion. It is impossible when you look down through the ramifications of this tax application to understand the whys and the wheres other than one thing. Any energy industry in this country that is energy intensive loses. And because this Nation has had the great wisdom to keep its energy costs low, and its productivity high, almost every industry takes a substantial hit.

Now it is not the board of directors, Madam President, and it is not the stockholders that lose. It is the thousands and thousands of working men and women who get the pink slips. That is who loses here.

In Idaho, farmers, ranchers, working men and women, and small business people are dependent upon a relatively inexpensive energy source that now soars through the roof on a very phony improperly applied formula. You are darned right.

The Senator from Arkansas is right. This legislation needs to be fixed. Why do we not send that message tonight to the White House, that it is a bad tax proposal and it ought not go any further?

Mr. SASSER. Madam President, I yield to the distinguished Senator from Nebraska [Mr. EXON] 5 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair. I thank the chairman.

The measure before the Senate has a lot of attraction for those of us who have been concerned about the Btu tax effect on an energy-intensive industry like agriculture. Just this evening, Madam President, I have confirmed through the administration that if the barge tax is allowed to stand as recommended, the tax in addition to its known hit on family farmers would also cost them 8 cents a bushel to transport corn from Omaha, NE, to New Orleans. This is unconscionable. It is ridiculous. It must be changed and it will be changed.

There are those speeches on the floor tonight—I am not questioning the intensity or the sincerity of those that are making these statements though—that this is the time to foreclose forever under consideration any type of a tax on energy.

I simply say that yet—while I understand they are concerned, and agree with many of them—yet to support this amendment at this juncture without a matter of appreciation and understanding that we currently have of its full effect on the economy as a whole and the President's package as a whole would be untimely.

In addition to the very legitimate concern relative to agriculture, it is also the possibility that the Btu tax might also severely adversely affect the whole economy of the country. These answers are not yet all into the many questions that we impose. If this amendment is adopted, it would put the Finance Committee in a straitjacket. And it would impair if not eliminate the Finance Committee's options to fashion a compromise that would likely be more acceptable to this Senator and probably the Senate as a whole.

The final decisions on these matters, especially for new revenues to meet the worthy deficit reduction goals of the President, should justifiably be made in the committee deliberations—and with the understanding that they would be deliberating this—and then afterwards, finally resolved in the upcoming debate and important votes as part of the reconciliation process.

Therefore, given the fact that all final decisions on the Btu tax, or any possible version thereof, should be made during the committee's deliberations and through the reconciliation debate and votes, I believe it is not wise at this point to rush to a decision we might afterward determine to be too hasty.

This is not the proper time to formally decide the fate of the Btu tax. That matter can and will come to a decision at a later date, only a few weeks down the legislative road.

I would emphasis that the deliberations and negotiations are ongoing with the White House on this and other substantial matters with regard to beginning that all-necessary deficit reduction decisions.

Let us not rush to judgment. It is always easier to kill something than to try to make it work. Constructive criticism, a give-and-take on the ideas and concepts is the only way to reach a deficit reduction goal that is fair to all.

Madam President, I suggest a no vote on the amendment before us.

I reserve the remainder of my time. I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. FEINGOLD). The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I yield to the Senator from Washington 4 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. GORTON. Mr. President, the distinguished Senator from Arkansas tells us that we dare not, we must not embarrass the President of the United States at this early point in his Presidency. We dare not embarrass the President, so we must keep $95 billion in gross new taxes on the American people, but we dare not embarrass the President.

We can deprive 600,000 Americans of their jobs, but we dare not embarrass the President of the United States. The distinguished Senator from Nebraska tells us that to cut $70 billion from the net number of taxes which the Finance Committee must raise will make that committee's task more difficult. Only in the U.S. Senate could we hear, seriously presented, the proposition that to reduce the new tax load by $70 billion will make the tax writing committee's process more difficult.

We dare not lower that tax burden on the American people $70 billion, because it will make it harder on 11 Senators to come up with their answers. This is not reality, Mr. President, in any respect whatsoever. Reality is the 600,000 jobs which will be destroyed by this tax. Reality is that it takes $95 billion in gross new taxes to produce $38 billion in income for the Federal Government to use on new spending programs. Reality is a tax on hydropower described by my colleague from Idaho, which treats hydropower at almost three times the tax of dirty coal in the imposition of a tax which is supposed to help the environment and will have the opposite effect. Reality in my State is an increase in the production cost of aluminum, which will drive at least 10,000 jobs out of the State and out of the United States of America. Many of the defenders of this proposal oppose the North American Free-Trade Agreement, because it will drive jobs to Canada and Mexico, and they vote for a proposal which will have 10 times the adverse impact that even their dreams call for in that respect.

Reality is the President of the United States going to the Boeing Co. and sympathizing with workers losing their jobs, and imposing a tax of between $1 billion and $1.5 billion a year on an airline already losing billions of dollars a year. Reality is the impact on the farms of America, which Senators on the other side say, "we will take care of it." How? By increasing taxes on others? Reality, Mr. President, is the request of the people of the United States that we cut spending before we raise taxes.

The Nickles amendment does exactly that. It accords with the will of the American people, and it is more important than a potential embarrassment to the President of the United States, or adding to the difficulties of 11 majority members of the Finance Committee who, somehow or other, will find it harder to raise $320 billion in new taxes than $395 billion in new taxes.

Mr. NICKLES. How much time is remaining, Mr. President?

The PRESIDING OFFICER. A total of 6 minutes is remaining on your side.

Mr. NICKLES. I yield to the Senator from Missouri for 2 minutes.

Mr. BOND. Mr. President, I appreciate the courtesy of my colleague. I had the opportunity earlier today to talk in broad generalities about the impact of the President's proposal on the economy of this country—the jobs that we would lose, the inflation that this could cause, and the slow-down in economic growth. But I think maybe tonight I will just tell you that I have had the opportunity to talk to many farmers around the State of Missouri, and farmers in Missouri are very sophisticated these days. They have to be good businessmen and women to know how they are going to earn a living, how they are going to keep their families together, how they are going to achieve the goals they have set for themselves and their families.

They have it down to the last cent, and they know what the costs are. They know what their inputs are. They know how much this is going to cost them. We can come up with estimates by various organizations, say $700 to $1,000 for a small farm, maybe $1,500 for a larger farm. Well, the farmers throughout Missouri can tell you specifically what their direct costs will be, costs in terms of diesel fuel, and propane for drying, and transportation costs. But they can only give you an estimate of how much their fertilizer costs are going to go up. Some people said anhydrous ammonia would go up $62. Other equipment they buy is going to have an added cost impact. I have seen, I think, reliable estimates, based on a DRI study of 1987 that a 17.7-cents-per-billion Btu would cost a million jobs. This is more, and it will cost more.

I urge my colleagues to join me in "taking the horse meat out of the rabbit stew" and voting with Senator NICKLES and Senator SHELBY.

Mr. SASSER. Mr. President, I yield 4 minutes to the distinguished Senator from Nebraska.

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

Mr. KERREY. Mr. President, when President Clinton came before a joint session of Congress, he gave a speech, and I heard both Republicans and Democrats say they were impressed with the speech. Indeed, it seems to me that the speech itself changed the dynamic of the debate in America. He did come and tell the American people the truth.

We have a deficit that, unless we do things definitely now, will radically change the nature of our country, and we have to deal with it. He told us it was going to take cuts in spending and new taxes to get the job done. Well, things were changed for a while, Mr. President, and since that time, I have heard from a variety of interest groups. They say: "We like the idea of reducing the deficit, except we do not like this particular cut; and would you, Senator KERREY, help us restore this particular cut?"

And then came a group of people that said: "Well, Senator, we like the idea of reducing the deficit, but we would like for you to help us fight this particular tax increase." I do not know how it is possible.

Of course, I have heard a lot of people come to the floor and talk in campaigns about the need to make tough choices. Now is the time to make tough choices. I hear many colleagues saying: "Do you not have some easier tough choices?" Well, there are none, Mr. President.

This morning, I had the Congressional Research Service come over and make a presentation to me about what is going on with our entitlement programs, a subject I hope we get to spend some time on. I intend to vote for spending cuts this year. I doubt that I am going to be able to vote for the stimulus package. I heard a presentation, and I expect to come to the floor and share it with my colleagues.

Twenty-five percent of the taxable income today in America goes for the top five entitlement programs. Those entitlement programs do not affect the 90 million American workers. That number will grow to 50 percent in the year 2020. An awful lot of us may not be around then, but our kids and grandkids will be, Mr. President.

If we really look into the future, then we are going to have to get real serious and look people dead in the eye that are part of our political base and say: no, we cannot be all things to all people. It is impossible to reduce the deficit and restore economic health to this country, unless we are prepared to risk, as the President did, our political careers, too.

I will vote "no" on this amendment, Mr. President, because I am coming to the task and will join the President of the United States in making sure that we end this year with serious and meaningful deficit reduction.

Mr. NICKLES. Mr. President, I will be brief, and I will tell my colleagues that we are getting ready to vote in a few moments. I heard people say we are going to fix agriculture in a little bit. The Senator from Wyoming says: "Are we going to raise heating oil in the Northeast?" I know some want to exempt aviation. Are we going to do that to increase the tax on coal? I just will tell my colleagues this is a punitive tax that will put hundreds of thousands of people out of work, and we need to kill this tax now.

Now is the time to kill it. Let us take that direction away from the Finance Committee and say you do not have to raise that $73 billion. Let us tell the Appropriations Committee you do not have to spend that $73 billion.

And for those of my colleagues who are worried about us not having enough money to spend, I will tell them over the next 5 years we are going to spend $8.1 trillion. This is less than a 1-percent cut. I might mention we are spending $1½ trillion a year right now. That figure is so large you cannot comprehend it. It is more than $6,000 for every man, woman, and child in the United States.

I think we need this amendment to make sure we will not put an additional tax burden and additional spending burden on our future generations.

I hope my colleagues will agree to this amendment offered by myself and Senator SHELBY.

I yield the remainder of our time to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. Two minutes 30 seconds.

Mr. DOMENICI. I wonder if I might have one additional minute.

Mr. SASSER. Yes.

Mr. DOMENICI. Mr. President, I would like to break my closing remarks into two parts.

First, I have not been able to respond to the very lengthy statements from that side of the aisle laying the total claim for this budget deficit on Republican Presidents and implicitly on Republican Senators.

I am very pleased that the President of the United States does not think that. I am going to quote from his speech he gave to the American people.

> I tell you this is not to assign blame for this problem. There is plenty of blame to go around in both branches of government and both parties.

I would also remind those who think the Republicans were the only ones that wanted to reduce taxes in 1981, the vote was 89 to 11. As I recall, we had about 51 Senators. Where did all the rest of them come from?

And then I would ask you—I looked at the charts that my good friend, the chairman of the Appropriations Committee, put up here, and he said the last 4 years have been the years that the deficit really went up.

I submit you could do another chart and say those are the years that the

Democrats controlled both Houses by the largest numbers. You could have another chart up along side of it.

That is one reason perhaps that the deficits went up so high. In this body, the Democrats owned the U.S. Senate; in the other House the Democrats had 80 or 90 House Members long on their side.

How in the world can you stand here tonight and talk about those fellows on that side? They were for the rich. How about those fellows on that side? Eighty-nine Senators voted for that tax cut if that was a tax cut for the rich.

So I submit the President of the United States is correct in saying there is plenty of blame to go around.

Having said that, let me suggest that the truth of the matter about this amendment is very simple. I have now looked at how much domestic spending there is in the United States, and let us make this very clear. The domestic spending of the United States in the next 5 years is going to increase, I say to my friend from Oklahoma, by $815 billion.

I do a little arithmetic, and I divide it by five and on average there is a $175-billion increase in the domestic budget every year.

How in the world can we be harming people in the United States when in this amendment we say do not put on the fuel tax, the energy tax, $72 billion net to the Government and take $72 billion out of this increase? Let us do the arithmetic. The budget of the United States, when we are finished with the Nickles amendment, over the next 5 years the domestic budget will grow $743 billion.

I cannot believe that the American people believe we ought to be putting more taxes on while the budget is growing that much. I think they believed that the President said we are going to sacrifice, but the sacrifice was not all in favor of the Government and against the taxpayers.

So I submit this amendment would send a clear message that we do not need 72 billion dollars worth of new taxes, including the most onerous around, the Btu tax, and we do not need $72 billion in program increases when the budget will be increasing $743 billion on the domestic side.

Frankly, I think it is very simple.

The other point I would make for those who say do not do anything, we will fix this tax up in committee, it seems to me then the budget resolution does not mean anything if you are going to fix them all up and in effect the committee is going to take everything that is affected out.

I yield the floor.

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

Mr. PRESSLER. Mr. President, I strongly support the Nickles amendment. From the very first day President Clinton proposed the British thermal unit [Btu] tax, I have had serious concerns about its potential impact in my State.

I've concluded the energy tax would impose a heavy burden in South Dakota and other rural States. Farmers, ranchers, and small businesses would be heavily impacted. They represent the foundation of South Dakota's economy. They also are fuel-dependent industries. Farmers consume enormous amounts of energy in growing and processing agricultural products. Most important, they have few, if any, ways to pass through increased energy costs. They have to absorb them.

With each passing day, we are learning more and more that agriculture and rural America could be burdened unfairly by the Btu tax. South Dakota's farmers and ranchers cannot afford to pay thousands of dollars in extra taxes. The proposed Btu tax could add 7.5 cents to the cost of a gallon of gasoline; 8.3 cents for diesel fuel; and 2.3 cents for propane. This tax would hit every aspect of agriculture: planting, cultivating, harvesting, heating and drying, and irrigation.

The Btu tax would hit South Dakota corn growers especially hard. The fuel cost-per-acre for corn production in South Dakota already has risen from $21.78 in 1988 to $23.98 in 1990. The Btu tax would increase these costs by an additional 7 to 10 percent. That equates to an additional $1.70 to $2.40 per acre.

However, we also need to look beyond fuel and energy production costs. Fertilizer and pesticide prices would increase as well. For corn growers, drying costs would increase. In South Dakota, those costs already are over $11 per acre for corn. Individually, some cost increases may not seem that great, but when one begins to look at the bottom line, one will conclude that rural America is being asked to shoulder a very heavy burden.

Some numbers being discussed are alarming. The Fertilizer Institute estimates the proposed tax would result in a $4,515 loss in income for the typical 1,500 acre wheat producer. They also estimate the annual loss of income for the typical 700 acre corn producer would be $5,159.

The livestock industry is South Dakota's largest industry—valued at nearly $9 billion. The National Cattlemen's Association estimates that cow-calf operators could face $5.52 in additional taxes per beef cow. This will cost South Dakota cattlemen more than $5 million each year. The rancher's bottom line also is not encouraging.

Farmers have no control over the market. They will be unable to pass these costs through. Mr. President, I know of no South Dakota farmer who could afford to sacrifice $5,000 of his or her hard-earned income each year.

Most alarming, the March 17 Ag Commodities News and Views reported:

U.S. Farmers aren't going to like what an EPA representative reportedly said at a Friday meeting regarding the Clinton Administration's energy tax proposal—Inside government sources reveal the following: "An EPA staff member was asked what would be the benefits to U.S. agriculture by leaving Clinton's energy tax package as it is. The EPA staff member's response was, "There would be fewer farmers."

Small businesses, often associated with agriculture, consume vast amounts of fuel to travel great distances in rural States like South Dakota. With small business profit margins as narrow as they are, a 10-percent increase in energy costs could force some to lay off their employees, and could put others out of business. Small businesses are the backbone of our Nation. Yet, this tax could break the backs of small business.

Obviously, Mr. President, I should not have to point out the climate differences that exist in our country. Not only does South Dakota have long, cold winters; it has hot, humid summers. While hot and humid is great for corn growth, it also requires large amounts of energy for heating and cooling our homes, schools, and hospitals.

Northern States Power [NSP] serving residents in the most populated portion of South Dakota estimates an increase of 31 cents per kilowatt hour. NSP estimates that the tax would result in an increase of 4.1 percent for residential electrical rates and up to 6.7 percent for businesses. They also estimate 5-percent increases residential gas rates, and business customers would face increases of up to 10.7 percent.

How will these estimated rate increases affect school districts, those living on a fixed income, or hospitals? School districts are very concerned about what an increased utility bill would do to their budgets. We cannot add to their financial burden. Increasing our school's utility bills would decrease their ability to invest in our children.

Out of the 64 counties in South Dakota, 4 are on the top 10 list of the poorest counties in the Nation. Many of the people in these counties receive assistance under the Low Income Energy Assistance Program [LIEAP]. Many run out of LIEAP funds well before the long South Dakota winter is over. What will happen to these people when the cost of energy is increased? Yes, the administration has pledged to increase LIEAP funding. Yet, LIEAP lately has been in desperate need of additional funding. There is no guarantee LIEAP will be fully funded. What will LIEAP recipients do if there is no additional funding?

Mr. President, let there be no misunderstanding: South Dakotans are more than willing to do their fair share in helping reduce our enormous deficit. I've talked to them. I've read their letters. I've heard their phone calls. They are ready to do their part. The issue

here is fairness. The proposed Btu tax is unfair to the people of South Dakota.

Instead of finding creative ways to tax Americans, we should focus our attention on constructive ways to cut wasteful government spending. I've said it before—the cuts must come first. The Nickles amendment would do. I urge my colleagues to join me and others in supporting the Nickles amendment.

Mr. DOMENICI. Mr. President, in evaluating the Btu tax, it seems to this Senator that the whereas just don't add up to the therefores.

The administration has clearly articulated three objectives for the Btu tax: According to "Vision of Change," the tax is designed: To reduce environmental harm; to decrease the country's dependence on foreign energy, and to promote energy conservation.

It will do little to encourage conservation or curb energy consumption. The proposal will make our foreign oil dependence worse according to some experts. And it is theoretically flawed if its objective is to encourage clean energy sources that are good for the environment.

ENVIRONMENTAL OBJECTIVE

What is the environmental justification for taxing clean natural gas at the same level as dirty, high sulphur, eastern coal?

This tax is supposed to encourage the use of natural gas by taxing oil at almost twice the rate of gas and coal, but according to CBO the design of the President's tax may encourage coal use because the demand for coal generated electricity may benefit from the relative price changes that take place as a result of the tax.

CBO says that a Btu tax is a blunt tool for achieving environmental goals. "If it were feasible, it would be better to tax the pollution itself rather than the fuel."

The "Environmental Whereases" don't jive with an "Environmental Therefore" to tax clean neutral gas at the same rate as dirty eastern coal.

ENERGY SECURITY

CBO estimates that the tax proposed by the President would cause imports to fall slightly—by about 150,000 barrels per day in the first year after full application—about 2 percent of our average net imports of 6.9 million barrels per day.

To finish the quotes from the CBO testimony, "the benefit associated with energy security would be small" if Congress were to enact a Btu tax. "The U.S. would remain heavily dependent on foreign supplies for its oil and more important, the world would remain dependent on insecure sources of supply."

Philip K. Verleger testified before the Senate Committee on Energy and Natural Resources. It was his opinion that the Btu tax may actually increase U.S. dependence on imports of oil as well as the dollar value of petroleum imports because the tax may exert a greater negative effect on domestic oil production than it does on consumption.

The Btu tax will have a negative impact on domestic oil production, no doubt about that.

We could lose more EOR production in California's San Joaquin Valley alone to more than offset any reduction in gasoline consumption that might occur nationwide.

In my own State of New Mexico, the tax could cost producers an additional $700 million per year. It will cause wells to be shut-in and jobs to be lost.

We will lose refinery capacity.

If the "whereas objective" is conservation, the administration has the wrong "Therefore" in a Btu tax.

Sixty-five percent of petroleum is used for transportation. If the administration's objective is conservation, it has to do more than a 7.5-cent gasoline tax increase.

THE REAL THEREFORES ASSOCIATED WITH THIS PROPOSAL

What are the correct therefores associated with this tax?

If this tax goes into effect, the American manufacturing sector and its workers, pensioners, and customers will be the losers. Our foreign competitors will be the winners.

A Btu tax hits farmers who produce our food twice. Farmers would pay the tax on grain drying, irrigation pumps, confinement facilities, and vehicles, and fuel to run their tractors. They would also pay the Btu tax on the energy used to create the tools of their trade like fertilizer.

According to the American Farm Bureau Federation, the Btu tax will cost American farmers $600 million per year.

In Luna County, NM, this tax will increase the energy bill of farmers by about $4,069 a year. In Luna County, the farmers grow chiles, onions, lettuce, sorghum, and wheat. These crops are not subsidized crops, but they are crops that need a lot of cultivation. A farmer puts a lot of hours on his tractor in order to earn his living. This Btu tax is the opposite of a farm subsidy. Instead of paying farmers to produce, it taxes them if they produce.

These are taxes on rural America, one of the hardest hit sectors of our economy in the past decade. These are American workers who are up at dawn and work til dark. They aren't rich.

Since the farmers' cost of farming will go up, they may have to raise the price of their products. A Btu tax is nothing more than a tax on food.

The Air Transport Association has estimated that the airline industry will pay an additional $1.2 billion per year in higher costs when the tax is fully implemented. Add this tax to the $6 billion that the industry has lost in the last 3 years and another therefore will be more airline bankruptcies;

New Mexico has struggled to gain adequate air service. The last thing we need is airline service cutbacks.

The President said he didn't want to tax the low-income Americans, and yet this Btu tax substantially increases their tax burden.

The elderly will be hurt most. The lowest income elderly—families in the first income quintile—will see their taxes go up by 45 percent due to the energy tax. Most elderly do not work, so they would not benefit from the earned income tax credit. Most are not poor enough to qualify for LIHEAP or food stamps.

For many low-income families, the Btu tax will be associated with heat or eat and Btu will come to stand for "Buy thermal underwear."

The administration claims to want to impose a Btu tax because it would combat pollution by improving environmental quality, promote energy efficiency, enhance national energy security and not discriminate against any geographic area.

Instead, what we have is a perverse hidden tax that is going to work like an import fee on domestic production. We are going to tax our farmers; bankrupt our airlines; make us less competitive; make us more oil import dependent. This is the wrong proposal.

According to the American Petroleum institute the Btu tax would have the following impact on New Mexico based on 1990 data.

Increase taxes paid by New Mexicans of $536 per family of four.

New Mexico households would pay an additional $21.4 million in taxes on the electricity they use to heat, cool, and light their homes.

New Mexicans use about 1 billion gallons of gasoline a year and can expect to pay an additional $110 million in additional gasoline taxes.

Businesses in New Mexico would pay an additional $76 million in additional energy taxes for their goods and services.

Mr. LEVIN. Mr. President, by proposing cuts in spending and revenue increases, President Clinton has demonstrated that he is serious about reducing the deficit and has stopped the run from economic reality. It's about time that we have had that kind of Presidential leadership. By proposing targeted investments in areas such as education, transportation, and conversion from a cold war oriented industrial base, President Clinton has showed that he has a vision of how to promote economic development in a way that translates into high paying jobs.

The Nickles amendment strikes at both elements of the Clinton Economic Program. It substantially reduces the anticipated revenue and spending levels with the result that President Clinton would not be able to deliver on the program for economic growth that he

promised during the 1992 campaign. It is for that fundamental reason that I will vote against the amendment.

My vote against the Nickles amendment should not be taken as unequivocal support for the Btu tax itself. The budget resolution before us does not mandate a Btu tax. Instead, it leaves it up to the Finance Committee to recommend specifically how that revenue target can be met. I am still exploring the impact of the Btu tax on consumers and employers, particularly in my home State of Michigan. I am open to considering other proposals that would be consistent with the revenue projections in the budget resolution, and I would urge the Finance Committee to consider a range of options to meet its revenue target.

Mr. BAUCUS. Mr. President, I oppose the amendment offered by my colleague from Oklahoma, Mr. NICKLES.

Like many of my colleagues from the West and rural States, I have reservations about the Btu tax. I am concerned about how it might adversely impact several important industries in my home State of Montana: Agriculture, coal, and aluminum production.

Unfortunately, while the amendment before us today may address these concerns, its passage would create far more problems than it could ever solve:

At a time when the American people are demanding that Congress act to address this country's problems, passage of this amendment would only mean more gridlock. It would amount to an undeserved rebuke of a President, who has shown the courage to confront this Nation's problems;

And, at a time when we should be doing more to invest in our young people, our physical infrastructure, and our environmental infrastructure, this amendment would gut the President's investment initiative;

In closing, while this tax and some other aspects of the President's economic plan must change, I intend to be a part of the solution; not a part of the problem; not a guardian of gridlock. If Congress and the administration work together, I am confident we can resolve these problems and pass a plan that will mean a better future for this Nation.

Mr. HATFIELD. Mr. President, I appreciate the opportunity to address my colleagues today on the potential effects of the proposed Btu energy tax on the ratepayers of the Pacific Northwest. I have serious concerns regarding the application of a fossil fuel-based Btu tax on hydroelectric energy.

As I understand it, the proposed Clinton Btu tax is applied to hydropower based on the "average fossil fuel Btu input required to generate equivalent energy." On a per kilowatthour basis, however, several Northwest energy experts tell me, hydro will be taxed at two to three times the rate of coal and other fossil fuels.

As you know, Mr. President, Btu is short for British thermal unit, or the amount of energy required to raise the temperature of 1 pound of water 1 degree fahrenheit. Hydroelectricity, however, does not generate heat. It uses the pressure of falling water to turn turbines to generate electricity. Therefore, the Btu is not directly compatible with hydropower. Yet, despite this fact, the proposed Btu tax applies not only a Btu baseline to hydro, it applies a coal-based Btu equivalent to hydro.

Coal and hydro, however, are different in many ways. For example, to generate 1 kilowatthour of electricity by burning coal, it takes 10,300 Btu's. To generate 1 kilowatthour of electricity by using the falling water pressure of hydropower, it takes the equivalent of 3,400 Btu's. Additionally, coal plants are 36-percent energy efficient while hydroelectric plants are 85- to 95-percent energy efficient.

Clearly, because hydroelectricity does not generate heat and is three times more energy efficient than the coal resource, it is incompatible to attempt to equate the two energy resources on the same tax scale. But that is exactly what the Btu tax does. It applies coal's Btu baseline to 10,300 Btu's per kilowatthour to hydro. This application will cause hydro to pay almost three times the amount of tax per kilowatthour as a fossil fuel plant will pay. For example, the administration's estimates that electricity rates for energy generated by fossil fuels will increase by 4 percent. Hydro's rate increase, however, will be three times that or 12 percent. This 12-percent increase has been confirmed by several Northwest energy users including the Direct Service Industries, American Public Power, the hydro industry and the Bonneville Power Administration.

Essentially, a rate increase of this magnitude could have devastating effects on my region of the Pacific Northwest. Allow me to take a moment to outline the current Northwest energy picture. Hydroelectric energy accounts for at least 62 percent of the energy produced in the Northwest. We are currently in the midst of a 7-year drought in the West which has significantly reduced water availability for electricity generation through hydro. On top of that, we are fighting an extremely costly battle to bring back threatened and endangered Columbia River salmon.

Even before the Btu tax came into the picture, Bonneville Power Administration ratepayers were faced with a 15-percent rate increase, which will take effect this fall, to help pay for costs associated with salmon and low water levels. If a 5-percent Btu tax were added to the existing 15-percent rate increase, the Pacific Northwest could be looking at a 20-percent rate increase this fall. Additionally, when Bonneville completes its next rate case in 1995, rates could jump another 16 to 20 percent to compensate for fish, the remaining 7 percent of the Btu tax, Power Marketing Administration repayment reform and possible low water levels. All in all, over the next 5 years, the Pacific Northwest ratepayers could be encountering a 40-percent electricity rate increase.

This is a worst case scenario, Mr. President, but I must be frank with my colleagues when I say a rate increase of this magnitude would endanger virtually every manufacturing sector of my region's economy. We have 10 to 15 aluminum and other metals manufacturing plants in the Northwest employing over 10,500 workers. Boeing Aircraft, which maintains plants in Seattle, WA and Portland, OR, announced several weeks ago it would be eliminating 28,000 jobs, with more cuts on the way. Other energy intensive industries operating in the Northwest, including pulp and paper manufacturing and chemical manufacturing, would also be distressed.

Mr. President, the stated goals of the Btu tax proposed by the administration are to: First, raise revenue: second, increase energy efficiency; third, improve the environment by reducing fossil fuel use; fourth, reduce foreign oil imports; and fifth, strengthen U.S. economic performance.

A tax on the order of the proposed 12-percent Btu tax on hydro would not help the administration achieve these goals in my region. Although the tax would surely help raise an immediate source of revenue, it would make hydropower uneconomical and have the unwanted effect of forcing my region to look elsewhere for its major sources of fuel.

What other sources of fuel will the Northwest acquire—coal, oil, natural gas, nuclear energy? All of these energy resources are less efficient and pollute the environment with particulate matter, radioactive waste, carbon monoxide, carbon dioxide and other so-called greenhouse gasses. Replacing clean, energy efficient, renewable hydro energy with fossil and nuclear fuels would prevent the administration from achieving its goals of improving energy efficiency, reducing fossil fuel use, reducing greenhouse gasses, and backing out foreign oil imports. Instead, my region would be forced to turn to other, less attractive means of meeting its energy needs.

Not only will the proposed Btu tax cause the Pacific Northwest to look to other less efficient and less environmentally benign energy sources, it will obliterate the administration's goal of improving our Nation's economy. As I stated earlier, the economy of my region would suffer under the rate increase burdens imposed by efforts to save the salmon, low-water conditions and an unfair 12-percent rate increase due to the Btu tax. Basic energy inten-

sive industry in my region will either go out of business or look elsewhere for a more economical place to operate—most likely beyond U.S. borders.

I am not arguing the Northwest should be exempt from contributing its fair share to the Clinton economic plan. The Northwest should, however, be treated equally with other regions of the country which are also largely dependent on one resource for the bulk of their energy. If the Midwest and Northeast must endure 4-, 6-, or 7-percent rate increases due to the Btu tax, so should the Northwest. But, my region should not be unfairly penalized at a time so crucial to its economic and environmental future.

For these reasons, Mr. President, I am supporting the Nickles amendment to strike the Btu tax from the budget resolution until a more equitable solution to reducing the deficit, increasing energy efficiency and enhancing American industrial competitiveness can be found.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the disposition of the Nickles amendment, Senator KENNEDY be recognized to offer an amendment relative to the 1998 funding levels for Head Start; that the amendment be debated this evening and that when the Senate recesses this evening, the Senate stand in recess until Friday, March 19, at 9 a.m.; that following the prayer on Friday, the Journal of proceedings be deemed approved to date and the time for the leaders be reserved for their use later in the day; that the Senate resume consideration of Senate Concurrent Resolution 18, the budget resolution, with the time before 9:10 a.m., equally divided and controlled between Senators KENNEDY and DOMENICI; that the Senate vote on the Kennedy amendment at 9:10 a.m.;

That following the disposition of the Kennedy amendment, Senator GRASSLEY be recognized to offer an amendment relating to domestic discretionary freeze, and that a vote occur on or in relation to the Grassley amendment at 11:30 a.m.;

Following the disposition of the Grassley amendment, the next three first-degree amendments to the resolution be the following in the order listed if the offeror of the amendment is present to submit the amendment: DeConcini amendment, on community policing, Pressler amendment, on the Small Business Administration, and Wellstone amendment, sense of the Senate on ethanol;

That any votes ordered with respect to the amendments listed above occur beginning at 2:15 p.m. on Tuesday, March 23, with 10 minutes for debate, equally divided in the usual form prior to each vote; that no second degree amendments be in order to any of the amendments listed in this agreement.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at 9:00 a.m. on Friday, March 19, 1993, the Senate resume consideration of S. Con. Res. 18, the Concurrent Resolution setting forth the congressional budget for the U.S. Government for fiscal years 1994, 1995, 1996, 1997, and 1998, with the time until 9:10 a.m. to be equally divided and controlled by the Senator from Massachusetts (Mr. Kennedy) and the Senator from New Mexico (Mr. Domenici).

Ordered further, That at 9:10 a.m. on Friday, March 19, 1993, the Senate vote on the Kennedy amendment, No. 183.

Ordered further, That upon the disposition of the Kennedy amendment, the Senator from Iowa (Mr. Grassley) be recognized to offer an amendment, relative to domestic discretionary freeze, with a vote on, or in relation to, the Grassley amendment to occur at 11:30 a.m.

Ordered further, That following the disposition of the Grassley amendment, the next three first degree amendments in order to the resolution be the following, in the order listed, if the offeror of the amendment is present to submit the amendment:

DeConcini—Relative to community policing;

Pressler—Relative to the Small Business Administration; and

Wellstone—Sense of the Senate relative to ethanol

Ordered further, That any votes ordered with respect to the above three amendments occur beginning at 2:15 p.m. on Tuesday, March 23, 1993, with 10 minutes for debate, equally divided and controlled, prior to each vote.

Ordered further, That no second degree amendments be in order to any of the amendments listed in this agreement.

Mr. MITCHELL. Mr. President, if I may have the attention of Senators, as a result of this agreement, the vote which will shortly occur will be the last rollcall vote today. There will be two votes tomorrow, one at 9:10 a.m. and one at 11:30 a.m. After the vote at 11:30, there will be no further rollcall votes until Tuesday at 2:15 p.m. However, the three amendments listed here will be offered and those votes scheduled for Tuesday after 2:15 p.m.

The Senate will return to this resolution at 9 a.m. on Monday and will be in session throughout the day and the evening at which time I understand the managers are going to work up a schedule for amendments to be offered and debated at that time, and those votes to be stacked over to Tuesday afternoon. However, Senators should be aware that we will be on the resolution and if no Senators are present time will run against the resolution throughout the day and in the evening on Monday and that the same practice will be followed on Tuesday morning between 9 a.m. and the time that we begin to vote at 2:15 p.m.

Mr. President, I thank the distinguished Republican leader, the Senator from Tennessee, and the Senator from New Mexico, and all those who cooperated in putting together this agreement. This enable us to proceed with this measure in a way that accommodates all Senators to the maximum degree possible.

Mr. DOMENICI. Mr. President, for the Senators on our side we might ask to submit amendments on Monday while we are in session on this resolution. We clearly are going to provide them with an opportunity to debate their amendment before we vote on it if stacked for 10 minutes or so, are we not?

Mr. MITCHELL. Oh, yes. It is my intention that every Senator will have an opportunity to debate his amendment in that fashion until we get to the end of the 50 hours.

I want to make one further statement so every Senator is fully informed as to the schedule. As I said, the Senate will be in session for a long day on Monday. There will be long days on Tuesday and Wednesday as well.

In my discussions with the managers and the distinguished Republican leader, I have made clear that it is my intention that the Senate complete action on this bill by the close of business on Wednesday night whenever that is. We are going to proceed and try to get it done in that way.

I apologize to any Senators for any inconveniences caused by that, but there will be lengthy sessions Monday, Tuesday, and Wednesday, with votes commencing at approximately 2:15 p.m. on Wednesday.

Mr. SASSER. May I inquire of the majority leader with regard to the 10 minutes that will be allocated prior to each vote. Will that 10 minutes be equally divided?

Mr. MITCHELL. Yes. It is my intention that we follow that practice here.

And I make a parliamentary inquiry: The 10 minutes of debate, that time would be counted against the resolution that is used for debate between votes; am I correct in my understanding?

The PRESIDING OFFICER. All time will be charged against the resolution.

Mr. MITCHELL. So what I hope is that the practice, or at least the pattern, we have set here will be followed, so that Senators will have, in fact and in perception, the full opportunity to debate their amendments in a way that accommodates the schedules of as many Senators as possible.

May I inquire of the managers if this arrangement is acceptable and agreeable to them?

Mr. SASSER. It is satisfactory with me, I say to the leader.

So there will be 10 minutes before each amendment when they are stacked, 5 for the proponents and 5 for the opponents?

Mr. MITCHELL. That is correct.

Mr. NICKLES. Mr. President, I ask unanimous consent that two tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

$3.86 in taxes for every $1 in spending cuts[1]

President's plan—modified:

	1994–1998
Gross new taxes	360
User fees	18
Total new revenues	378
Tax cuts	(64)
Net new taxes & fees	313
Non-defense spending cuts	131
Non-defense spending increases	(124)
Net non-defense spending cuts	7
Defense spending cuts	74
Net spending cuts	81
Total new taxes & spending cuts	394
Debt service savings	64
Total deficit reduction	458

[1] $313 billion net new taxes and fees / $81 billion net spending cuts = $3.86.

Items which increase the deficit are shown in (parenthesis).

Dollars in billions, compared to the CBO capped Baseline.

Details may not add due to rounding.

CBO capped baseline	1993	1994	1995	1996	1997	1998	Total 94–98	Change 93–98
Revenues	1,143	1,214	1,290	1,355	1,413	1,481	6,753	338
Defense	294	275	268	276	283	291	1,393	(3)
Non-defense	253	264	272	279	287	294	1,396	41
Subtotal, discretionary	547	539	540	555	570	585	2,789	38
Social Security	302	319	335	351	368	385	1,758	83
Other mandatory	471	501	541	563	602	656	2,862	185
Subtotal, mandatory	773	820	876	914	970	1,041	4,621	268
Offsetting receipts	(65)	(69)	(73)	(74)	(76)	(79)	(370)	(14)
Debt service	198	211	231	251	271	293	1,255	95
Outlays	1,453	1,501	1,574	1,645	1,734	1,840	8,295	387
Deficits	(310)	(287)	(284)	(290)	(322)	(360)	(1,542)	(50)

Change to baseline	1993	1994	1995	1996	1997	1998	Total 94–98	Change 93–98
Revenues		36	46	63	76	74	295	
Defense		3	5	(10)	(34)	(37)	(74)	
Non-defense		4	(0)	2	8	14	28	
Subtotal, discretionary		7	5	(9)	(26)	(23)	(46)	
Social Security		0	0	0	0	0	0	
Other mandatory		1	(1)	(7)	(11)	(17)	(35)	
Subtotal, mandatory		1	(1)	(7)	(11)	(17)	(35)	
Offsetting receipts		(3)	(3)	(5)	(4)	(4)	(18)	
Debt service		(2)	(6)	(11)	(18)	(27)	(64)	
Outlays		3	(5)	(31)	(59)	(72)	(163)	
Deficits		(33)	(51)	(93)	(135)	(146)	(458)	

President's plan—mod.	1993	1994	1995	1996	1997	1998	Total 94–98	Change 93–98
Revenues	1,143	1,251	1,336	1,418	1,488	1,555	7,048	412
Defense	294	278	273	265	250	253	1,319	(41)
Non-defense	253	268	272	281	295	309	1,424	56
Subtotal, discretionary	547	545	545	546	544	562	2,743	15
Social Security	302	319	335	351	368	385	1,758	83
Other mandatory	471	502	540	556	591	639	2,827	168
Subtotal, mandatory	773	821	875	907	959	1,024	4,585	251
Offsetting receipts	(65)	(71)	(76)	(78)	(80)	(83)	(388)	(18)
Debt service	198	209	225	240	253	265	1,192	67
Outlays	1,453	1,504	1,569	1,615	1,675	1,768	8,132	315
Deficits	(310)	(254)	(233)	(197)	(187)	(214)	(1,084)	96

Details may not add due to rounding.
Includes $12 billion in stimulus spending.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 182 proposed by the Senator from Oklahoma [Mr. NICKLES].

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 Virginia [Mr. ROBB] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—46

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Boren	Gramm	Nickles
Brown	Grassley	Packwood
Burns	Gregg	Pressler
Chafee	Hatch	Roth
Coats	Hatfield	Shelby
Cochran	Helms	Simpson
Cohen	Jeffords	Smith
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Krueger	Thurmond
Danforth	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	
Durenberger	McCain	

NAYS—53

Akaka	Breaux	Daschle
Baucus	Bryan	DeConcini
Biden	Bumpers	Dodd
Bingaman	Byrd	Dorgan
Boxer	Campbell	Exon
Bradley	Conrad	Feingold
Feinstein	Kohl	Nunn
Ford	Lautenberg	Pell
Glenn	Leahy	Pryor
Graham	Levin	Reid
Harkin	Lieberman	Riegle
Heflin	Mathews	Rockefeller
Hollings	Metzenbaum	Sarbanes
Inouye	Mikulski	Sasser
Johnston	Mitchell	Simon
Kennedy	Moseley-Braun	Wellstone
Kerrey	Moynihan	Wofford
Kerry	Murray	

NOT VOTING—1

Robb

So the amendment (No. 182) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts, is recognized.

Mr. SASSER. Mr. President, I ask if the distinguished Senator from Massachusetts would withhold for 2 minutes to allow the distinguished Senator from Alabama to make a statement which I indicated he could make following this vote. I was not aware that the Senator from Massachusetts would be recognized immediately after this vote.

Mr. KENNEDY. I will be glad to withhold.

Mr. SASSER. I thank the Senator.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

EXPLANATION OF VOTE

Mr. HEFLIN. Mr. President, I voted against the Nickles amendment after very careful consideration. I have great reservations about the Btu tax and, as the legislative process continues on the President's program, I will be endeavoring to work with all key officials to see if we cannot modify it considerably or substitute other forms of revenue enhancement to replace the Btu tax.

But the Nickles amendment abolishing the Btu tax completely, in my judgment, was a killer amendment. It would have killed the President's program; it would have killed his efforts to reduce the deficit. If the President's program on reducing the deficit is killed, I seriously doubt that the momentum in support of deficit reduction can be rebuilt in the next 4 years.

The Nickles amendment would have also killed the President's program of investing in the future of America's infrastructure, both physical and human. For these and other reasons, I voted against the Nickles amendment

I thank the Chair, I thank the managers of the bill and I thank Senator KENNEDY for yielding.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

AMENDMENT NO. 183

(Purpose: To ensure that fiscal year 1998 funding levels of the Head Start Program are consistent with the levels requested by President Clinton in his investment program)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Senator DODD, Senator FEINSTEIN, Senator MURRAY, Senator KOHL, Senator RIEGLE, and others, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself, Mr. DODD, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. KOHL, and Mr. RIEGLE, proposes an amendment numbered 183.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the Head Start program will be funded at the level requested by the President for fiscal year 1998.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

Mr. President, I rise tonight to offer an amendment in support of President Clinton's plan to invest in America's children. The President knows well that if we are to keep faith with tomorrow's schoolchildren and our future work force—we must take action now. And that is precisely what this budget does. By finally putting us on a path to full funding of Head Start for all eligible children and families—the President has moved to fulfill a promise made to America's most vulnerable children more than a quarter of a century ago.

Head Start is a premier social program—a long-term experiment that works—and the key to a better and brighter future for millions of American children and families.

For nearly 30 years, the Head Start Program has been providing comprehensive early childhood education, health, mental health, nutrition, and social services to low-income children and their families. More than 12 million children and families have been given a head start in life—and millions more await the opportunity.

Study after study has documented the effectiveness of the Head Start model. From social and cognitive improvements to critically important health screening and increased access to immunizations—Head Start has changed children's lives for the better.

In 1990, it was Gov. Bill Clinton who convinced the Nation's Governors and President Bush to declare our No. 1 education goal to be that by the year 2000, all American children would enter school ready to learn. Recognizing that if we fail to intervene early we may never regain the ground lost, or be able to reach the remainder of our education goals—fully funding Head Start became a cornerstone of that commitment.

And Head Start is not only a early childhood development program but a comprehensive family support program which promotes active parent involvement and self sufficiency. A study released by the Bush Department of Education documented that "Head Start programs involve parents far more than any other early education or care program."

Low-income children and families today face enormous and increasing challenges, struggling to survive in neighborhoods plagued by lack of opportunity, violence, and drugs.

And while Head Start alone will not eliminate poverty in America, the program is helping families to cope and children to succeed. They are entering school ready to learn. We can no longer ignore the benefit of decades of valuable experience and forsake the futures of millions more children. President Clinton knows that while the price of success is high—the cost of failure is far higher—a price our country can ill afford.

What Head Start needs is the long awaited and universally advocated steady infusion of resources necessary to expand both program enrollment and to enhance program quality. For more than a decade, blue-ribbon panels and advisory groups of all stripes have reemphasized that while expanding the number of children served, the Head Start Program must also invest more in each child and intensify the direct services available to families in need.

Never has this been more true. Yet during the decade of the 1980's, while homelessness, substance abuse, AIDS, and family violence were on the rise, the Reagan-Bush administrations gradually eroded the program's quality and effectiveness in an effort to serve more for less.

During the Head Start reauthorization of 1990, our committee heard from Head Start parents, program directors, and child development experts who pleaded for more and better trained staff to help families address their growing problems. They testified that in many programs, family service staff were required to manage caseloads of 150 families, as local programs were instructed to accommodate more children with grossly inadequate resources. Moreover, witnesses testified that many Head Start staff received such low wages they are themselves forced to depend on food stamps and other Government programs to help support their families.

When the Senate unanimously passed the Head Start reauthorization, we entered into a social contract with Head Start eligible children and families intended to reverse these years of neglect. At the core of this promise were two essential commitments. First, enrollment would be expanded to ensure access to Head Start services for all eligible children being left behind. And second, that 25 percent of funding increases would be set aside to strengthen program quality and enhance Head Start's family focus. President Clinton understands, as we do, that program quality can never be sacrificed for program expansion. He is determined to ensure that these intertwined goals move forward hand in hand.

More than for any other social program, a broad-based coalition of child advocates, educators, and CEO's have called for full funding of Head Start now before its too late. Jim Renier, CEO of Honeywell told our committee

that failure to follow through on Head Start put "our free enterprise economy, our democratic system, and the American dream itself" at stake. And affirming their commitment to this goal, CED is here today releasing their fourth report in 5 years calling for full funding of Head Start. This should tell us something.

Dr. Ernest Boyer, former Commissioner of Education, has said that the failure to fully fund Head Start was an "immoral, obscene, waste of human talent that is surely a precursor to economic decline and civic sickness." If we had a dollar for every report that recommended universal access to Head Start—we would have served all eligible children and families years ago.

Democrats and Republicans have called for full funding of Head Start for years—perhaps decades. Presidents have campaigned on Head Start, and Presidents have invested in Head Start. Now we need the sustained action proposed by President Clinton to reaffirm our commitment to a time-tested program with a proven track record of success.

If we are serious about our children and our well-intentioned national education goals, it is time to put our resources where our rhetoric have been—in Head Start. It is time to stop praising the program and start paying for the program. That is what President Clinton has committed to do.

After decades of promises—President Clinton has put forward a vision and a budget that embodies a plan for phasing in full funding of Head Start by the year 1999. The President knows that we do not have a single child to waste. That each and every eligible child needs and deserves a Head Start. And he has a plan to ensure that by the year 2000—we will have accomplished this goal.

By passing the budget resolution on the floor today—we take a critically important step toward fulfilling a dream. I urge my colleagues to support this amendment—affirming the President's investment in the Head Start Program, our children, and our future.

Mr. President, I want to review the action Congress has taken in recent years. In 1990, the Congress passed the Head Start reauthorization, which set targets for phasing in full funding of $7.67 billion by 1994. That Act was signed by President Bush. Unfortunately, we have seen that we have not appropriated the funds to keep pace with these targets. And we have seen over the years that although under President Bush there had been requests for funding increase in the Head Start program, that actually Congress took not only the recommendations but went beyond these recommendations in 1990, 1991 and 1992. In 1993, President Bush proposed $2.8 billion, and the Congress appropriated that $2.8 billion. In sum, the previous administration signed an authorization bill calling for $7.67 billion in 1994. President Clinton's 1994 budget request provides a plan to reach that $7.67 billion that President Bush agreed to and signed, instead of reaching that figure in 1994, he does it in 1998.

So, as you can see, this is an extremely reasonable and responsible approach. We have the previous administration whose President committed to and signed that full funding authorization. We now have the action of the Budget Committee to move us forward toward that full funding. What we are basically saying is that with this budget, we are really committed to achieving this worthwhile goal once and for all.

Mr. President, we have seen that Head Start is not a program isolated in and of itself. Our committee is looking at the chapter 1 program reauthorization, a $6.7 billion program that has been extremely effective in working with disadvantaged children. We understand, as we stated both in the reauthorization of 1990, and in consideration of the ESEA, that when the children complete the Head Start Program and begin the K-12 experience, the chapter 1 program must be coordinated with the transitional activities of the Head Start Program. I am confident that President Clinton's elementary and secondary education reform program is going to recognize the linkage that is necessary between Head Start and the early grades, which basically are the target for the chapter 1 programs. This is part of a continuing and ongoing experience which I think all of us understand is essential and necessary.

One of the key elements of the 1990 reauthorization is a recognition that we had to give greater attention and focus to the issues of Head Start quality and quality control. And we provided a set aside to strengthen the quality of Head Start programs nationwide. We believe, by and large, and the record will reflect, that quality deterioration began in the 1980s, where the cost per child in Head Start actually decreased by 13 percent. This occurred because the administration at that time wanted to increase the enrollment with inadequate funds and frequently HHS required enrollment expansion that far exceeded the available resources. It was basically a numbers game. They talked about the Head Start Program and what they effectively would do is require additional students without any money to support them thereby threatening the fundamental integrity of the program.

In 1983, for example, HHS required that nearly 20,000 children be added to the program despite a $40 million decrease in funding after adjusting for inflation. And in 1988, HHS required that 2,500 children be added to the program despite a $26 million decrease in funding. Similarly, in 1989, 2,000 children were added despite a $25 million decrease in real dollars.

So we had a decade where there was pressure to expand the program without the adequate funding and while many of us resisted, unfortunately we saw that some children and programs paid the price. We made adjustments in the 1990 reauthorization program recognizing that fact. And I believe that with the kind of support that this budget resolution provides for the Head Start Program, we will get back to the kinds of success we have seen the Head Start Program provide for children, and families, success which will be carried through with the Education Neighborhood School Reform Act which this President has also committed to, providing $800 million over 3 years.

One of the elements we will be including in that act is the mentoring program to try to help target children who can be identified who are educationally at risk or otherwise at risk. So we are trying to have a compromise and continuous approach and hopefully we will also include the one-stop shopping services either in the schools or in facilities linked to the schools to try to provide additional kinds of help and assistance to so many of the children that are at risk, particularly in the inner cities of this country.

So, Mr. President, this is an extremely important program. It is in many respects a lifeline for millions of children in this country. We welcome the strong commitment and leadership shown by President Clinton. Through this particular vote, we provide an opportunity for this body to demonstrate the overwhelming support for the Head Start Program.

That is the purpose of this amendment. We believe it is of fundamental and basic importance to our children, our future, and to the country itself.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield such time as the Senator from California may use.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mrs. FEINSTEIN. I thank the Senator from Massachusetts.

Mr. President, I rise to support the resolution before us on Head Start. I think—and I look at Head Start not as an economic stimulus but as a major investment in the future of this country. One thing we know, Mr. President, as a country, we do not value education the way we should—not like our competitors in the free world. We find that we underfund education. We find that our fifth and sixth graders cannot read. We find we graduate youngsters from high school that cannot read or write, multiply or add, recognize China

on a map, count change in their pocket, or fill out an employment application.

Yes, Mr. President, in my State, 20 percent of all of the students in the largest public school system in the world today do not finish high school; 20 percent drop out. Many are truants, and many find themselves alienated very early on because they cannot compete; they do not know the routine; they cannot adjust to the discipline.

I have found that it is too late by the time a youngster is in the eighth or ninth grade. The time to keep a youngster out of a gang is in grade 3 or 4. And I believe that Head Start, now provided for only 25 percent of the youngsters that need it and want it, can be a major change. It is a jump start because everybody in this body knows the value of early childhood education.

I do not think there is one U.S. Senator, Democratic or Republican, who would think the children cannot learn better than they learn today. And I would think, also, that everyone in this body understands that prior to the age of 6, a child learns their values. They learn the difference between right and wrong. They learn certain a routine and certain discipline, and they gain by their environment.

Head Start is early childhood education, because what it does is take the parent and the child, in a special program for 1 year, and teaches them the routine, the discipline of learning. If there is a problem in the environment, it seeks to work it out. If there is a problem in the family, it seeks to provide the right kind of counseling. Yes, not only is it a jump start, Head Start is also the right start for a young child.

I think we are just coming to know the value of creating a skilled work force. We are finally admitting that our economy is not national. It is, in fact, global. And we are finding that our competitors produce a more skilled work force in this economy than we do.

Most of them have longer school days. Most of them have shorter vacations. Few of them have the kind of dropout rate we do. Few of them have the truancies we do. And the routine and discipline of learning is acquired early on in their lives.

I ran very strongly on full funding of Head Start in California. I think it rang a bell with people because if there is one place people want to invest, it is in our future. And if we invest in our future, what better investment is there than our children, because if our children cannot go into the work force and know the discipline, the routine, and have the ability of gaining an education, then we are lost as a society; then America quickly becomes a second-rate power.

So I am very pleased to say thank you to the President of the United States for making the effort to fully fund Head Start. And for those who would quibble about a stimulus, I would only say, if you really believe that early childhood education is something that can turn around an underfunded, ailing, public education system in this country, then you are going to take the number one step, which is to fully fund Head Start for children that need it and want it.

Mr. President, I often say our children today know the floor plan of Nordstrom's better than they know the map of the United States. And, indeed, how sad it is.

In Orange County, CA, a woman went into court to sue the school district of her city because her child was in the fifth grade and that child could neither read nor write. Head Start is not going to cure every educational problem or dilemma or challenge. What Head Start is going to do is, for that very young youngster, remove them from a home, with their families, counsel with them, work with them, and begin to teach them the elements of learning much earlier on than we do in our system.

I think Head Start has worked for the 25 percent of children who have had it. One thing has been shown. I think one study showed that children who have Head Start are actually 30 percent better able to act, to graduate from high school; and 60 percent better able to get a job by the age of 19.

Those are very important statistics. I think they indicate that this is a program that is well worth every dollar spent.

Mr. President, I am proud to support this resolution. I am proud that the sense of the Senate is that for the first time in history, this Nation is going to put some major dollars into education, and we are going to do it in the way that we can get the most dividend. And, of course, that is Head Start.

Thank you very much, Mr. President. I yield the remainder of my time.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin. Without objection, the Senator from Wisconsin may proceed.

Mr. KOHL. Thank you, Mr. President. Mr. President, in the next few days, as well as the next few months, we are going to be debating our budget.

We are going to be doing our best to strike the right balance between deficit reduction and increment spending. We are going to freeze some programs, cut some programs, and invest in new programs. There will be genuine differences of opinion on whether we can afford to invest in certain things, and a time when our checkbooks will indeed be in the red.

Mr. President, if there is one thing that we should be able to agree on, it is that we must continue to invest in education and the well-being of our Nation's children. We all understand that educational opportunities and excellence is the key to our Nation's economic security and future. So Head Start is a program in which we must continue to invest.

Some question the long-term positive effects of Head Start. And others suggest that the grants should be competitive. But I do not think I have ever heard anyone say that Head Start is a bad program. The debate is only about how good it is. Should we give it a 9 or a 10? Should we spend money renovating facilities and creating safe environments, or should we increase the wages of Head Start workers or change the age of eligible children?

But all of these things, Mr. President, are about making it an even better program. We all agree that Head Start is a very, very good program. Yet, between 1981 and 1989, Head Start programs suffered a 13-percent funding reduction.

Between 1981 and 1989, the percentage of 3- to 5-year-old eligible children actually enrolled in Head Start declined.

To his credit, President Bush increased Head Start funding by 58 percent during his first 2 years. So now we are spending $2.8 billion on Head Start and, yes, that is a lot of money. It is understandable that some might suggest we should freeze or slow down spending on this program. But even with these significant increases in the past 2 years, only 28 percent of economically needy and eligible children in our country have access to the education and services provided under Head Start.

And I believe that we have an obligation to serve all of the eligible children in our country.

In my own State of Wisconsin, 17.5 percent of all children under 6 are being raised below the poverty line; 54 percent of our native American children are being raised in poverty, and a devastating 61 percent of our African-American children under the age of 6 are starting their lives in poverty.

Yet, we are serving only 31 percent of those 3- to 5-year-olds through Head Start. The question before us is whether the other 69 percent are also going to get a headstart in life.

Reaching this goal will not happen without investments. If we are serious, if we really care about our country and the future of our country's children, then we must support and fully fund the Head Start Program.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, given Head Start's impressive record of success, it is long past time to extend its advantages to all of our eligible children. I have taught preschool, and I would guess that I am the only one on this floor that can claim that experience. I have seen the difference it can

make for individual children, and whether it is to encourage a child to enjoy music, or to help a child learn basis skills, or to give a child the confidence he or she needs to deal with his or her peers, preschool experience makes a difference.

And I know how important and how effective Head Start is. We need to invest more in Head Start so that all of our children—no matter who they are or where they come from, or how much money they have—enter school equally ready to learn. That is what America is all about.

Over the past 12 years, poverty rates for children have climbed substantially in my State and in this Nation. Currently, one out of every four preschool-age children is poor and, therefore, eligible for Head Start. Yet, in 1992, Head Start served only 29 percent of eligible children. We need to remedy that failure.

As the mother of two children, it is my responsibility to see that they receive the schooling they need. As a country, we have the same responsibility to all of our children. Head Start recognizes that all children, but especially low-income children, need high-quality early childhood education to prepare them for school.

Research clearly shows, and my teaching experience confirms, that the sooner a child begins an early childhood development program, and the more comprehensive its approach, the greater the positive effects on that child. A recent study of early childhood education programs by the Department of Education finds that Head Start programs are much more likely to provide comprehensive services, such as health care and nutritious meals, and to involve parents in their child's learning. It also finds that Head Start programs are more likely to meet national accreditation standards for good quality early childhood programs.

For middle-class children, preschool programs have become a common experience. My own children had the opportunity to go to preschool for several years. All children, from the poorest to the more well off, deserve the same exposure. Given the serious problems low-income families face today, these children need 2 years of Head Start to get ready for elementary school.

About 80 percent of Head Start sites follow the part-day school year schedule typical of traditional preschools. The lack of full-year Head Start programs is especially problematic, because low-income children tend to suffer a greater loss of school-related skills over the summer. One of the things I learned as a preschool teacher is that our children lose a great deal that they learn over the summer, and the full-year programs are extremely important, especially for Head Start children so they do not lose their educational gains and the needed support services during the summer months.

Full-day, full-year Head Start services are essential to many families as well. Many low-income families cannot use Head Start because the parent works full time. Since Head Start was designed to meet the educational needs of children and not to provide child care for low-income women, it does not fit the job schedules of the working poor. We need to fund Head Start to provide full-day, full-year sessions for the children of low income parents with jobs. Until we do, low income mothers will have to piece together child care arrangements for the rest of the workday and year. And I personally know how difficult that is.

Currently, one-third of Head Start children live in families where the head of the household works full-time outside the home. The number of such families who want to use Head Start is likely to grow with an increased national focus on helping low-income families become self sufficient. Full-day, full-year Head Start programs for preschool children will complement jobs, JTPA, adult education, literacy, and other self-sufficiency services for their parents.

Head Start recognizes the vital role that parents play in children's learning and helps them become more actively involved in it. It includes them in the program as decisionmakers and provides parent support services. It encourages parents to volunteer in their children's classrooms. Head Start also trains parents and hires them as staff. Research indicates that Head Start programs have positive effects on the parents of the children enrolled in them. This program strengthens families and helps children realize their full potential.

Investing in Head Start makes financial sense, because it saves money. We can invest $1 for children to attend Head Start today, or we can spend $3 for special education, drug abuse programs, Medicaid, welfare, or prisons for them tomorrow.

In short, Head Start is the best program for meeting the needs of low income preschoolage children. Over two decades of experience with Head Start provides convincing evidence of its effectiveness. This program gives at risk preschool children an early educational experience that improves their changes of later academic success. Children enrolled in Head Start achieve immediate gains in cognitive test scores, socioemotional functioning, and health and nutritional status. Head Start improves school readiness substantially for children whose native language is not English, and for those from economically disadvantaged families. It boosts children's ability to participate in regular elementary school classes. They are less likely to be retained in grade or be placed in special education classes in elementary school, and they also have better attendance rates.

These outcomes demonstrate that Head Start programs produce significant and lasting changes. It equips children to do better in school and makes a difference in their adult lives. All of our children deserve access to Head Start. By funding it fully, we, as a Nation, are investing in the most important form of capital there is—human capital.

Our children are our most critical resource for the future. Let us ensure that they all have a head start in life.

I encourage the support of this amendment.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged against the two sides.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

PAN AMERICAN COLLEGE OF AGRICULTURE IN HONDURAS (ZAMORANO)

Mr. PELL. Mr. President, I call to the attention of my colleagues a unique American college which recently celebrated the 50th anniversary of its founding while being widely acclaimed as the premier, and most successful, university-level international agricultural institution in Latin America. I am speaking of the Escuela Agricola Panamericana, better known as Zamorano.

Zamorano, located on 15,000 acres in the picturesque Yeguare Valley in Honduras, Central America, has been a model of continuity and stability within Latin America's sometimes unpredictable political environment while providing a top quality education to the region's future leaders, entrepreneurs, and food producers. Zamorano is, essentially, a large working farm where the students are responsible for the production. Zamorano teaches students to overcome fear of failure by giving them the opportunity to make mistakes and learn from them—the basis of the Zamorano educational principle of learning by doing, in agriculture and related fields. All students are encouraged to develop the farmer's persistence and lifelong habits of honesty, hard work, discipline, and confidence in one's own abilities.

The Zamorano curriculum is geared toward graduating students with immediate professional competence and leadership ability. Zamorano's Agronomo program requires students

to successfully complete 33 months of dawn-to-dusk training, equally divided between the field and the classroom. This intensive schedule compresses into 3 years the equivalent of 4½ years of college in the United States. The program also includes practical, fieldwork modules not seen in other colleges today. During each of the three 11-month periods, students focus on a different area of agriculture, beginning with horticulture, then agronomy, and finally animal science. The day begins with a 5 a.m. wake-up bell. While some first-year students work in large vegetable fields, second-year students drag nets through fishponds or use machetes and hoes to weed and cultivate field crops such as corn, beans, sugarcane, rice, or sorghum. Third-year students might handle milking of the cows, or learn to cut meats in the animal science lab.

At the dairy plant, students help produce milk, butter, yogurt, ice cream, sour cream, and 16 types of cheese. In the meat sciences laboratory they make frankfurters, sausages, and other processed meats. At the food processing plant, they turn out jellies, marmalades, salsas, sauerkraut, and pickled okra and beans. Most of the food produced at Zamorano supplies the campus dining hall or is sold, along with ornamental plants, at the campus store or through commercial outlets in the capital of Honduras. In addition, the agronomy department produces almost 40 percent of the certified seed for Honduras. The students thus learn to participate in funding their own education while learning to produce for real markets. Much like farmers, they produce the food for their plates, and excess production is sold to help support operation of the college. At the same time, they are learning to help their neighbors and the poor hillside farmers through extension programs in which all students participate.

The curriculum also includes basic sciences such as botany, physics, chemistry, mathematics, agricultural administration, management, and engineering. In addition to practical specialties like computer training, forestry, fisheries, and English. Zamorano has also recently started a new Department of Natural Resources and Conservation Biology, which will help to provide care and resource management for the Uyuca Cloud Forest Preserve near the college, for which management responsibility has been delegated to Zamorano by the Government of Honduras. The students get a balanced view of agricultural science and technology—both the physically demanding uncomfortable and repetitive side and the innovative high tech side.

Up to an additional 2 years may be spent by qualified students in the Ingeniero Agrónomo program, which gives top Agrónomo graduates the opportunity to specialize by doing research and exploring their particular interest under close faculty supervision. As in any graduate program, Ingeniero Agrónomo students work on their own projects, and must present and defend a thesis. Students often opt to complete their Ingeniero Agrónomo degree in two work/study years, usually teaching part-time in order to help cover the costs of their advanced degree. Combined with their Agrónomo degree, Ingeniero Agrónomo graduates receive the equivalent of 6 years of formal education at any U.S. college of agriculture. Many of these students go on to obtain graduate-level degrees at top educational institutions in the United States.

After its founding in 1942, Zamorano grew slowly until 1979 when it entered a period of extensive expansion and improvement under the leadership of Dr. Simon E. Malo, a Zamorano graduate [1954] who had been a professor at the University of Florida. Dr. Malo gathered an outstanding team of professors and personnel, adding 32 teaching positions and 110 courses. Field lab modules were enhanced and research activities escalated. Graduates of the Agrónomo program increased from an average of 65 to 200 a year. Today, Zamorano is one of only two colleges outside the United States to earn, because of their quality and size, a chapter of Gamma Sigma Delta, the U.S. honor society for agriculture. In 1981 Zamorano changed to a coeducational system, recognizing the vital role of women in farm production. Female undergraduates now account for about 15 percent of the student body. Zamorano is committed to increasing that percentage, and to remaining the international institution, free of political influence, that it has always been.

Zamorano believes that well-trained human resources are the most important asset—the real wealth—of a region or country. The college has also recently increased its outreach efforts in response to the immediate and pressing needs of the surrounding communities and the land that is their livelihood. One of Zamorano's many community efforts is its Rural Development Program, which enlists the assistance of both students and graduates. The goal of this program is to improve the way of life of small farmers within the local area, and to incorporate the needs and conditions of the environment into the teaching, training, and research activities of the college. Extension agents, who are all Zamorano graduates, reside in local communities. These agents serve as bridges between the communities and the college, introducing new ideas to the farmers and helping them to implement new technology. Agent-supervised modules bring Zamorano students to the small farms to work hand-in-hand with the farmers to help solve their problems, and to form an understanding of rural conditions and attitudes. This effort is broader than just an agricultural development program; factors such as nutrition, health, and education are inextricably entangled, and only 1 in 3 Honduran farmers are literate. Additional rural outreach efforts by Zamorano include the Literacy Program, house construction projects, a Rural Schools Program, and a world-renowned Integrated Pesticide Management Program. The latter program has been financed at its beginning partially by USAID.

The tropical American region is one of the world's richest ecosystems in species diversity. However, population pressures and struggling economies are leading to the destruction of forest, land, and water resources far exceeding natural renewal rates. During the annual dry season alone, fires in Honduras destroy tens of millions of dollars' worth of potential forest products. Since Zamorano initiated the Uyuca Biological Reserve cloud forest in 1983, students have planted more than 800,000 trees, including 75 new species. One species is the much researched insecticide-producing neem tree. This tree is not only good for firewood, but also grows well in poor soil. Zamorano encourages small farmers to plant other firewood species in private and community wood lots, in order to lessen random forest destruction. Also on Zamorano's agenda is a program to bring urban children to the cloud forest to show them where their water comes from. The college believes it is critical that these children—the voters and consumers of the future—understand what is happening to their water sources and the entire ecological system.

Agriculture is the economic lifeline of the hemisphere's tropical regions, representing about 80 percent of the region's gross production, and providing employment to about 45 percent of the economically active population. The need for increased food production grows more critical as growing populations flood the cities, leaving fewer and fewer rural farmers to produce the food. The strain on the land is significant. One of Zamorano's priorities continues to be preserving the region's resources while expanding its economic potential. While offering its farm as an example of ecological awareness, Zamorano also actively extends its influence toward the betterment of the hemisphere in many other ways, including the following:

First, protecting natural resources through training, extension, and direct intervention;

Second, creating jobs through graduates' entrepreneurial efforts;

Third, modernizing farming methods by developing and introducing new technologies;

Fourth, diversifying agricultural products to improve diets, export earnings, and stabilize economies;

Fifth, improving production efficiency and reducing post harvest losses;

Sixth, introducing new knowledge through agricultural research; and

Seventh, forming cosmopolitan leaders of the hemisphere, imparting the "American" ideals and practices of the Founders and affirming its Latin American history, culture, and essential identity.

At the heart of Zamorano's prominence among Latin American colleges of agriculture is its continuity and stability—its internally maintained and unwavering ability to provide educational excellence year after year. By controlling 90 percent of its funds, Zamorano maintains virtual financial and political independence, and self-sufficiency, and continues to teach despite changes in surrounding political or economic influences. Zamorano is currently undertaking a capital initiative, to recognize its 50th anniversary by building its endowment and scholarship funds, completing a student center, providing needed seed and grain processing equipment, and endowing two faculty chairs. This capital initiative is moving forward under the strong and able leadership of Mr. George P. Gardner, a long-time Trustee of the college, past chairman of United Fruit Co., and articulate spokesperson for this unique and very important institution.

I would urge my colleagues to take notice of the outstanding record of this college, which is bringing hope for the future to so many while performing so well today. My best wishes to Zamorano as it moves forward in the coming years to even higher accomplishments than in its illustrious past.

PATTERNS OF GLOBAL TERRORISM

Mr. LAUTENBERG. Mr. President, on March 5, 1993, I delivered remarks on the bombing of the World Trade Center in New York and the threat international terrorism poses to Americans. As part of my statement, I asked unanimous consent that a letter to Secretary of State Christopher be printed in the RECORD. The letter laid out a series of recommendations for the State Department for including HAMAS and other violent Islamic fundamentalist organizations in its annual report on terrorism.

Unfortunately, a page of that letter, signed by many of my colleagues, was inadvertently deleted. I now ask unanimous consent that a complete version of the letter to Secretary Christopher be printed in the RECORD.

I also ask unanimous consent that the State Department's response to the letter be included in the RECORD. The State Department responded by saying that:

Violent activities of HAMAS during 1992 will be included within the report in the context of the annual report on international terrorism and as a part of our report on the violence of the Intifada which is increasingly associated with HAMAS.

I commend the State Department for this action.

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

U.S. DEPARTMENT OF STATE,
Washington, DC, March 12, 1993.

Hon. FRANK R. LAUTENBERG,
U.S. Senate.

DEAR SENATOR LAUTENBERG: Thank you for the letter from you and your colleagues to the Secretary urging the inclusion of information on HAMAS in the Department's annual report, Patterns of Global Terrorism, to be published in April 1993. I have been asked to respond on the Secretary's behalf.

I want to assure you that evident activities of HAMAS during 1992 will be included within the report in the context of the annual report on international terrorism and as part of our report on the violence of the Intifada which is increasingly associated with HAMAS.

With regard to fund raising activities in the United States, the Department's report deals with international terrorism as the Justice Department has the responsibility for countering terrorist activities inside the United States. The report will describe, to the extent that can be done in an unclassified publication, the support HAMAS and other fundamentalist groups engaging in terrorism violence overseas receive from government and non-government sources in the Middle East. As you know, HAMAS has emerged only relatively recently as a group involved in terrorism.

We appreciate your words of support for our counter-terrorism policy, including for our continuing efforts to discourage other countries from directly or indirectly providing support to terrorist groups.

With best wishes,

Sincerely,

ROBERT A. BRADTKE,
Acting Assistant Secretary,
Legislative Affairs.

U.S. SENATE,
Washington, DC, February 26, 1993.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR SECRETARY CHRISTOPHER: Enclosed is a letter I have circulated in the Senate expressing support for your reported decision to include the activities of Hamas in the State Department's annual report on terrorist organizations.

The letter also urges the State Department to include the activities of other violent Islamic fundamentalist organizations in the Middle East and recommends that the report address a number of specific issues.

I hope the State Department's report will respond to the issues we have addressed in this letter. I look forward to working with you in the future on this and other issues of mutual interest.

Sincerely,

FRANK R. LAUTENBERG.

U.S. SENATE,
Washington, DC, February 25, 1993.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR SECRETARY CHRISTOPHER: We are writing to express our support for your reported decision to include the activities of Hamas in the State Department's annual report on terrorist organizations. We also believe the State Department report should include the activities of other extremist Islamic fundamentalist groups, also supported by Iran, which use violent tactics and have increased in strength in the Middle East in the last year.

It is important to obtain a better understanding of Hamas, which opposes the Middle East peace process, and other violent Islamic fundamentalist groups, which are destabilizing forces in the region. When the report is issued in April we believe it should address a number of important issues.

First, in light of recent news reports that fund-raising for Hamas may be taking place in the United States, we believe the report should include a thorough review of the organization's activities and operations—including fund-raising—in the United States. Such review should be carried out by the appropriate domestic law enforcement agencies.

Second, we believe the report should include information on the level of financial assistance and other support Hamas and other violent Islamic fundamentalist organizations receive from foreign governments, particularly Iran.

Third, we believe the report should include information on the level of assistance and support provided to Hamas and other violent Islamic fundamentalist organizations by non-governmental organizations and individuals in foreign countries, such as Jordan, Iran, Syria, Saudi Arabia, and Sudan.

Fourth, we believe the report should include an analysis of the location of the command and control of Hamas and other violent fundamentalist Islamic organizations, and an overview of military and training operations both inside Israel and elsewhere in the Middle East.

Finally, we would appreciate receiving supplementary reports on Hamas and other violent Islamic fundamentalist organizations. It is important for the Congress and the public to have a fuller understanding of these newly emerging groups which support violence and terrorism.

The militant Islamic Hamas, which supports violent tactics, is a dangerously destabilizing force in the Middle East. It is clear that this group rejects the peace process and supports violence. The Hamas covenant reads ". . .There is no solution to the Palestinian problem except by Jihad. The initiatives, proposals, and International Conferences are but a waste of time, an exercise in futility."

Additionally, the group is irrevocably opposed to Israel's existence. Numerous Israelis have been brutally killed by Hamas terrorists and the group claims responsibility for the recent kidnapping and murder of Moshe Toledano, a civilian border patrolman. When Hamas recently took responsibility for the brutal killing of two Israeli soldiers, Hamas issued a statement saying ". . . Hamas and its armed wing 'Izz-al-din al-Qassam will continue to wage a merciless war until the total liberation of all the land of Palestine".

Israel is not the only country that is threatened by the increasing support from militant Islamic fundamentalist groups similar to Hamas which use terrorist tactics. Violent fundamentalist Islamic organizations are a destabilizing force throughout the Middle East. In the last year, these groups have grown in strength in the region, particularly in Egypt, Algeria, and Tunisia.

Like Hamas, these groups are supported by Iran, are committed to overthrowing governments across the region, and raise the specter of destabilization in the region.

We believe that including Hamas and similar Islamic fundamentalist groups that use violent tactics in the annual report on terrorist organizations is a useful step which will provide a greater understanding of the problems these groups pose in the Middle East. Ultimately, other governments and their citizens must be discouraged from providing financial support for organizations which foster terrorist activities. We encourage you to work toward that end. The United States and the international community must be vigilant in efforts to rid the world of terrorism.

We look forward to working with you on this vital matter, and appreciate your attention to this request.

Sincerely,

Charles E. Grassley, Edward M. Kennedy, John D. Rockefeller, Conrad Burns, Alfonse D'Amato, Larry Pressler, Slade Gorton, Arlen Specter, Phil Gramm, Frank R. Lautenberg, Christopher Dodd, Paul Simon, Herb Kohl, Patty Murray, Russell Feingold, Dale Bumpers, Daniel Inouye, Tom Harkin.

Connie Mack, Bob Smith, Malcolm Wallop, Dan Coats, Don Nickles, Bob Packwood, Jesse Helms, Orrin Hatch, Ernest Hollings, Kent Conrad, Dennis DeConcini, Barbara Mikulski, Daniel Akaka, Daniel Moynihan, Richard Bryan, Harry Reid, Claiborne Pell, Carl Levin, Paul Sarbanes, Donald W. Riegle.

Carol Moseley-Braun, Joseph Lieberman, John Danforth, Dirk Kempthorne, Larry Craig, Charles Robb, Richard Shelby, Harris Wofford, Christopher Bond, Bennett Johnston, Barbara Boxer, Howard Metzenbaum, Dianne Feinstein, Hank Brown, Mitch McConnell, John McCain, Robert Kerrey, Richard Lugar, Bill Bradley.

GUN CONTROL

Mr. KENNEDY. Mr. President, hardly a day goes by in which we do not learn of a new tragedy caused by the proliferation of guns in our society.

But this week there is some good news. The National Rifle Association's failed campaign to overturn gun control legislation in New Jersey may herald a new era of common sense on the gun issue. The American people are sick of the arms race on our streets, and they are making themselves heard. They want us to pass the Brady bill quickly, they want a ban on semiautomatic assault weapons, and they want more robust enforcement of existing licensing requirements.

I would like to call to the attention of my colleagues a column in today's Washington Post. Wade Henderson, the Washington director of the NAACP, has made a very persuasive argument that gun control is both a civil rights issue and a public health imperative. I welcome the heightened involvement of the NAACP in this struggle, and I ask unanimous consent that Mr. Henderson's column be printed in full in the RECORD.

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

ANGRY AND DEPRESSED ABOUT GUNS

(By Wade Henderson)

The news of Conchita Campfield's death really jolted me. Conchita was a 15-year-old Hyattsville honor student who was shot after a party last weekend when a fight broke out between several youths and spilled onto the street. One of the youths pulled a handgun and fired several shots into the crowd. A 20-year-old boy was arrested and charged with first-degree murder in Conchita's death.

Certainly Conchita's age had something to do with the anger and depression I felt. Perhaps the news struck home because of my own daughters who are close in age to Conchita. I was horrified that one so young could die so violently under otherwise innocent circumstances in which any teenager could easily have been the victim. I was frightened at the thought that there are few ways to protect a child from the escalating, random violence that has become a defining characteristic of urban living.

I was also angry because I realized that Conchita died innocently—like so many other young African Americans—in part, because of easy handgun availability. In this instance, Conchita was killed as a result of the lethal combination of some young man's rage plus the ready access of a high-powered handgun.

At one level, Conchita's death had little impact on public consciousness. We have become impervious to the tragedy of young people dying at the hands of their peers. After all, there has been a 2,100 percent increase in juveniles charged with homicide from 1982 to 1990, so some degree of numbness is understandable. But the question remains: What are we as a nation going to do to stop the steady escalation of gun-related violence?

Unfortunately, the debate over handgun violence has lacked the genuine sense of urgency needed to compel Congress to act. As a result, America is losing its soul to a cancer of violence, but the solutions to the problem are thwarted by the National Rifle Association and mired in political indifference on Capitol Hill.

As I thought more about Conchita, I reminded myself that violent crime is an American dilemma, not an isolated racial issue. Nonetheless, it is time for the NAACP, as the nation's largest civil rights organization, to respond to the growing and disproportionate number of African Americans victimized by crime, as well as the high incidence of African Americans—particularly young African American males—ensnared in the criminal justice system. For too long now, the black community has been silent on these issues.

The National Association for the Advancement of Colored People took a step toward addressing this problem when it recently joined Jim and Sarah Brady in urging Congress to swiftly pass the Brady bill. The NAACP also supports Gov. Douglas Wilder's "one-gun-a-month" initiative, which was recently enacted in Virginia. While we recognized that neither bill will resolve the problem of gun violence, they offer some useful relief.

Gun-related violence is a barrier to the full enjoyment of civil rights. It undermines respect for the rule of law. The NAACP's efforts to promote democratic participation, economic empowerment, educational opportunity and other aspects of a progressive civil rights agenda are compromised if African Americans are not safe in their homes and communities. Even as we pursue these other concerns, we must also seek to reduce the violence.

Modest handgun restrictions such as the Brady bill are a health-related imperative for African Americans. Firearm deaths of young black men have reached crisis proportions. According to a recent study by the Federal Centers for Disease Control, homicide is the leading cause of death for black males aged 15 to 24, and firearms were involved in about 80 percent of these homicides. In some areas of the country, it is now more likely for a black male between his 15th and 25th birthday to die from homicide than it was for a U.S. soldier to be killed in Vietnam.

We feel a special obligation to involve young African Americans in the national debate over gun control. In addition to our legislative network, the NAACP will utilize its Youth and College division in a national lobbying campaign in support of the Brady bill.

Young people are on the front line of one of today's most challenging social crises. Their participation in the campaign to pass the Brady bill has two purposes. First, there are few advocates who bring greater moral authority to the debate about gun-related violence than the young people of our nation who are most often victimized and who have much to lose if controls are not enacted. Second, we hope to demonstrate that they are not powerless to affect issues that have a direct impact on their lives.

The NAACP's support for the Brady bill is a reflection of a broader understanding of civil rights advocacy in the 1990s. We urge Congress to act quickly and to enact the Brady bill as separate legislation. We want to avoid the problems encountered last year, when the Brady bill was incorporated into an omnibus crime control legislation. This measure is simply too important to be held hostage to the illusion of comprehensive crime control.

We are too late to save Conchita, but perhaps we can honor her memory through our actions to save other children.

TRIBUTE TO DR. BILLY F. ANDREWS

Mr. FORD. Mr. President, I rise today to pay tribute to Doctor Billy F. Andrews who is being honored in my State of Kentucky as he steps down as chairman of the department of pediatrics at the University of Louisville School of Medicine. For the past 23 years, countless children, students, and faculty personnel have been touched by Dr. Andrews' undying commitment to the health and well-being of the youngest of our society. His efforts and dedication to pediatric medicine have been recognized worldwide and the department of pediatrics has prospered under his stewardship.

In recognition of his service, I ask unanimous consent that "The Children's Bill of Rights," composed by Dr. Andrews in 1968 and which has been a hallmark for pediatricians over the past quarter of a century, be included in the RECORD following my remarks.

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

THE CHILDREN'S BILL OF RIGHTS

We hold these truths to be self-evident:

That each newborn infant is the most perfect and helpless of all of the creation;

That each newborn is as individual as the stars of our universe;

That each newborn has the inalienable right to be born wanted, loved and protected; and while growing to maturity within and without the womb that every measure possible, as is known, be undertaken to afford the very best environment, nutrition and opportunity for growth and development;

That proper shelter, nutrition, clothes, education and health measures be provided each child to assure that each, with maturity, can assume the full responsibilities of adulthood and citizenship;

That the personhood of each child be fully appreciated and that each be informed of all matters including health as they grow in intellect and in capability; and that they learn to be involved, as maturity allows, and to participate in all decisions concerning their well-being;

That when and if correction is deemed necessary it will be applied with the greatest of respect and care and without mental or physical abuse;

That we shall as a society make every effort to establish for the children of today a firmer footing than we have ourselves enjoyed in all ways;

That we have witnessed from the very mistakes of nature much that has greatly benefited all of mankind and that infants and children with birth defects shall be our responsibility to rear to the fullest potential possible that they, too, shall share the rights to Life, Liberty, and the Pursuit of Happiness which is their birthright;

And that we fully realize that the level of civilization attained by any society will be determined by the attention it has paid to the welfare of its infants and children.

Therefore, in full awareness of these truths, we vow upon our honor and all we hold to be sacred to do our very best to bring about a better world for those who succeed us in order to repay our predecessors for our own gift of life.

—BILLY F. ANDREWS, M.D.

MAY 19, 1968.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt—run up the U.S. Congress—stood at $4,214,305,813,377.83 as of the close of business on Tuesday, March 16.

Anybody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayers' money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstep of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it's really a form of thievery. Averaged out, this astounding interest paid on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay, I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, woman, and child in America owes $16,407.08—thanks to the big spenders in Congress for the past half century. The interest payments on this massive debt, average out to be $1,127.85 per year for each man, woman and child in America. Or, looking at it still another way, for each family of four, the tab—to pay the interest alone, mind you—comes to $4,511.40 per year.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through March 11, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

There has been no action that affects the current level of budget authority, outlays, or revenues since the last report, dated March 10, 1993.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 15, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through March 11, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated March 9, 1993, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., AS OF MAR. 11, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level [1]	Current level +/− resolution
On-budget:			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−0.5
Revenues:			
1993	848.9	849.4	+0.5
1993–1997	4,818.6	4,820.0	+1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,119.7	−341.5
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	.....
1993–1997	1,415.0	1,415.0	.....
Social Security revenues:			
1993	328.1	328.1	(2)
1993–1997	1,865.0	1,865.0	(2)

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50 million.

Note: Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS MAR. 11, 1993

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	.....	.....	849,425
Permanents and other spending legislation	764,283	737,413	.....
Appropriation legislation	732,061	743,943	.....
Offsetting receipts	(240,524)	(240,524)	.....
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	.....
Total current level [1]	1,247,892	1,241,794	849,425
Total budget resolution [2]	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,098	496	.....
Over budget resolution	.....	.....	535

[1] In accordance with the Budget Enforcement Act, the total does not include the following in emergency funding (in millions of dollars): P.L. 102–229, BA, 0, Outlays, $712; P.L. 102–266, BA, 0, Outlays, $33; P.L. 102–302, BA, 0, Outlays, $380; P.L. 102–368, BA, $926, Outlays, $5,850; P.L. 102–381, BA, $218, Outlays, $13; P.L. 103–6, BA, $3,322, Outlays, $3,322; total BA, $4,467, Outlays, $10,310.

[2] Includes revision under Section 9 of the Concurrent Resolution on the Budget.

Notes: Amounts in parentheses are negative. Detail may not add due to rounding.

ARMED SERVICES COMMITTEE HEARINGS ON THE DEPARTMENT OF DEFENSE POLICY EXCLUDING GAYS AND LESBIANS FROM SERVICE IN THE ARMED FORCES

Mr. NUNN. Mr. President, last month the Senate adopted legislation directing the Armed Services Committee to "conduct comprehensive hearings on the current military policy with respect to the service of homosexuals in the military services." I also made a commitment to our colleague, Senator METZENBAUM, last year during the Senate's consideration of the national defense authorization bill for fiscal year 1993 that the Armed Services Committee would hold comprehensive hearings on this subject this year.

I want to announce today that the Armed Services Committee will begin our hearings on the Department of Defense policy, excluding gays and lesbians from service in the armed forces, during the week of March 29.

I said during the Senate's consideration of this matter, earlier this year, that the committee would begin our hearing in March. With the press of business facing the committee later in the spring, it is essential that we begin our hearings on this important matter this month.

During the past several months, the Members and staff of the Armed Services Committee have met with a large number of individuals and groups on this issue. the committee has received a large number of requests to testify—and suggestions for witnesses—from Members of Congress, advocacy groups, current and former members of the military, and the general public.

My own position on this issue is a matter of public record. I support the current policy that excludes homosexuals from serving in the Armed Forces. However, I fully intend for these hearings to be fair, thorough, and objective. I intend to listen carefully to all of the witnesses who testify. As I said in my remarks to the Senate back in January, my final judgment on this issue will be affected by the testimony we receive from a wide range of witnesses. Although the committee will not be able to hear from every individual and group who has asked to testify in person, the committee will hear testimony from representatives of all sides of this issue.

Our opening hearings will set the context for the committee's review. We will examine the historical and legal background of the current Defense Department policy, including the role of unit cohesion in the development of combat capability. This first phase of our hearings will also closely examine the experience of foreign countries, with respect to the service of gays and lesbians in their Armed Forces, although this hearing will probably take place sometime next month.

Later in our hearing process, the committee will hear from advocacy groups, both those who favor the current policy and those who want to see the current policy changed. I also intend for the committee to conduct as a series of field visits to military installations to hear the views of a broad cross-section of military members on the issues raised by the proposal to change the current policy.

Finally, Mr. President, the committee will hear from the senior civilian and military leadership of the Defense Department, on this issue, after the Defense Department has completed the review that has been ordered by the President.

Mr. President, this is an important and emotional issue, and I want to assure my colleagues that the Armed Services Committee will conduct the comprehensive hearings, on this issue, directed by the Senate in a fair and impartial manner.

MOTOR-VOTER

Mr. PRESSLER. Mr. President, yesterday the Senate conducted five rollcall votes on the so-called motor-voter bill. I was quite ill and was not able to be here on the floor to cast my vote.

Had I been able to come to the Senate floor, I would have voted against tabling, or killing, the following amendments: No. 111, which I cosponsored and which would have exempted States from motor-voter mandates if they could certify they would have to raise taxes to comply with the bill; No. 112, which would have provided for registering people to vote upon their induction into the armed services; No. 128, which would have provided civil penalties for those who fraudulently use voter registration to obtain certain benefits and privileges of citizenship; and No. 129, which would have provided for a study to determine the extent of noncitizen participation in the voting process. These amendments were tabled by wide margins. Lastly, I would have voted against final passage of the motor-voter bill.

My position on motor-voter legislation is well known. I am opposed to the motor-voter mandate. My State of South Dakota, which has one of the highest voter registration rates in the country, does not need Congress imposing yet another unfunded Federal mandate to accomplish something it already is doing quite well.

If a State wants to adopt motor-voter legislation, it can do so anytime it so desires. The South Dakota Legislature has taken a look at motor-voter legislation and rejected it, no doubt due to the fact that over 89 percent of eligible persons in my State already are registered to vote. As is often said in my State, "If it ain't broke, don't fix it."

TO MARK THE PASSING OF REPORTER ELLEN ABRAMS

Mr. DODD. Mr. President, I rise today to ask the Senate to take a moment to remember a distinguished member of the Connecticut press corps who suffered an untimely death Tuesday after being hit by a car while jogging.

Ellen Abrams, a reporter with the ABC affiliate WTNH-TV channel 8, was committed to delivering news to the people of Connecticut. She always brought good humor and a positive attitude to her work. For my part, I must say it was a delight to know her.

Ellen began her career in journalism at WCNX radio in Middletown, CT, and later became the State Capitol correspondent for the Connecticut Radio Network.

In 1986, she joined WTNH as a general assignment reporter. She quickly became known for her thorough, insightful reports, particularly on crime and criminal justice issues in the Greater Hartford area.

Her television series on the prison system in Connecticut, entitled "Equal Justice?" received several awards including a regional Emmy nomination.

Ellen will be remembered for her dedication to informing the public and perhaps more importantly, her belief that journalism helped build a better and stronger society.

My condolences go out to her husband, Peter Darby, a Hartford police officer, and her mother and sister.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair has two announcements on behalf of the Vice President.

The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b), of the United States Code, as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy:

The Senator from New Hampshire [Mr. GREGG], from the Committee on Commerce, Science, and Transportation; and

The Senator from Minnesota [Mr. DURENBERGER], at large.

The Chair, on behalf of the Vice President, pursuant to 14 U.S.C. 194(a), as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Coast Guard Academy:

The Senator from Alaska [Mr. STEVENS], from the Committee on Commerce, Science, and Transportation, and

The Senator from South Dakota [Mr. PRESSLER], at large.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:10 p.m., a message from the House of Representatives, delivered by

Mr. Hays, one of its reading clerks, announced that the Speaker signed the following enrolled joint resolutions:

S.J. Res. 22. Joint resolution designating March 25, 1993, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

S.J. Res. 36. Joint resolution to proclaim March 20, 1993, as "National Agriculture Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

At 2:24 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 416. An act to extend the period during which chapter 12 of title 11 of the United States Code remains in effect, and for other purposes.

H.R. 965. An act to provide for toy safety and for other purposes.

H.R. 1109. An act to amend the Merchant Marine Act, 1936, to establish reemployment rights for certain merchant seamen.

MEASURES REFERRED

The following measures, previously received from the House of Representatives for concurrence, were read, and referred as indicated:

H.R. 965. An act to provide for toy safety and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 1109. An act to amend the Merchant Marine Act, 1936, to establish reemployment rights for certain merchant seamen; to the Committee on Commerce, Science, and Transportation.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, March 18, 1993, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 22. Joint resolution designating March 25, 1993, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

S.J. Res. 36. Joint resolution to proclaim March 20, 1993, as "National Agriculture Day."

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-662. A communication from the Chairman of the Defense Base Closure Commission, transmitting, pursuant to law, a report relative to the submission of certified materials; to the Committee on Armed Services.

EC-663. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide funding for the resolution of failed savings associations, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

EC-664. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, a report relative to the status of extensions regarding the requirement of Section 13 of the Federal Power Act; to the Committee on Energy and Natural Resources.

EC-665. A communication from the Acting Assistant Secretary (Legislative Affairs) of the United States Department of State, transmitting, pursuant to law, a report relative to the allocation of funds to Haitian refugee applicants; to the Committee on Foreign Relations.

EC-666. A communication from the Assistant Legal Adviser for Treaty Affairs, United States Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to March 11, 1993; to the Committee on Foreign Relations.

EC-667. A communication from the President of the United States, transmitting, pursuant to law, notice of his intention to sign an Executive order to extend the waiver of the application of the relevant export criterion of the Atomic Energy Act for an additional 12 months from March 10, 1993; to the Committee on Foreign Relations.

EC-668. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report relative to the Board's implementation of its administrative responsibilities; to the Committee on Governmental Affairs.

EC-669. A communication from the Acting Director of the United States Office of Personnel Management, transmitting, pursuant to law, a report relative to the performance management and recognition system; to the Committee on Governmental Affairs.

EC-670. A communication from the Acting Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report relative to its Freedom of Information Act activities for calendar year 1992; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DECONCINI, from the Select Committee on Intelligence:

Special Report entitled "Committee Activities of the Select Committee on Intelligence, United States Senate, January 3, 1991 to October 8, 1992" (Rept. No. 103-23).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S.J. Res. 27. A joint resolution providing for the appointment of Hanna Holborn Gray as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 103-24).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S.J. Res. 28. A joint resolution to provide for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 103-25).

S.J. Res. 29. A joint resolution providing for the appointment of Wesley Samuel Williams, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 103-26).

S. 564. A bill to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information (Rept. No. 103-27).

By Mr. FORD, from the Committee on Rules and Administration, without amendment and with a preamble:

S. Con. Res. 13. A concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of the remembrance of victims of the Holocaust.

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. KERREY (for himself, Mr. EXON, Mr. GRASSLEY, and Mr. DASCHLE):

S. 610. A bill to amend the Food Security Act of 1985 to exempt the triple base acreage of the producers on a farm from the highly erodible land and wetland conservation requirements of such Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. INOUYE (for himself, Mr. AKAKA, Mrs. BOXER, Mr. CAMPBELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, and Mrs. MURRAY):

S. 611. A bill to amend the Federal Aviation Act of 1958 to provide for the establishment of limitations on the duty time for flight attendants; to the Committee on Commerce, Science, and Transportation.

By Mr. KOHL (for himself and Mr. BROWN):

S. 612. A bill to protect the privacy of telephone users by amending section 3121 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. HARKIN (for himself, Mr. CONRAD, Mr. INOUYE, Mr. GRASSLEY, Mr. ROCKEFELLER, Mr. METZENBAUM, Mr. FEINGOLD, Mr. CAMPBELL, Mr. DORGAN, and Mr. RIEGLE):

S. 613. A bill to prohibit the importation of goods produced abroad with child labor and for other purposes; to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 614. A bill to establish a commission on the commercial application of certain defense-related facilities, equipment, processes, and technologies; to the Committee on Armed Services.

By Mr. MCCAIN:

S. 615. A bill to enable Indian tribal governments to provide facilities necessary to carry out essential governmental functions; to the Committee on Indian Affairs.

By Mr. ROCKEFELLER (for himself, Mr. MURKOWSKI, Mr. DECONCINI, Mr. MITCHELL, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. CAMPBELL, Mr. THURMOND, Mr. SIMPSON, Mr. SPECTER, and Mr. JEFFORDS):

S. 616. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans Affairs.

By Mr. SIMON (for himself, Mr. MOYNIHAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. BRYAN, Mr. REID, Mr. SHELBY, Mr. LIEBERMAN, and Mr. ROBB):

S. 617. A bill to authorize research into the desalinization of water and water reuse and to authorize a program for States, cities, or any qualifying agency which desires to own and operate a desalinization of water reuse facility to develop such facilities; to the Committee on Environment and Public Works.

By Mr. RIEGLE (for himself, Mr. KENNEDY, Mr. SIMON, Mr. DECONCINI, Mr. HATFIELD, Mr. GLENN, Mr. ROBB, and Mr. LEVIN):

S. 618. A bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 619. A bill to amend the Social Security Act to provide improved services to beneficiaries under such Act, and for other purposes; to the Committee on Finance.

S. 620. A bill to amend the Social Security Act to overturn the new limitations placed on private enforceability of State plan requirements by Suter v. Artist M., and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERREY (for himself, Mr. EXON, Mr. GRASSLEY, and Mr. DASCHLE):

S. 610. A bill to amend the Food Security Act of 1985 to exempt the triple base acreage of the producers on a farm from the highly erodible land and wetland conservation requirements of such act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SECURITY ACT OF 1985 AMENDMENT ACT OF 1993

Mr. KERREY. Mr. President, given that we are on this budget resolution—I had a longer statement—I will try to condense it. I came to the floor to talk about the philosophy underlying the farm programs. I am not a Representative who has fought either cuts in the program or reforms in the Department of Agriculture. Indeed, I think the Department of Agriculture needs rather radical reform. I have even discussed the possibility that the farm program could be assigned to some other department and we may not need a Department of Agriculture altogether.

I do not want to be identified as someone who has merely come to the floor fighting changes in farm programs. I did not vote for the 1990 farm program. I did not like its direction. It seemed to me that it continued a policy of providing subsidies, and I did not believe it was necessary for us to do it in the way that it was done.

So I am not here today merely to argue against cuts, Mr. President. I am here to introduce a piece of legislation that comes as a consequence of my concern that indeed the taxpayers and consumers are willing to withdraw their support for a farm program altogether. As the occupant of the Chair understands, the farm program is put in place out of equal concern for consumers as well as producers. Unfortunately, the scales have been altogether too unbalanced in favor of the consumers as opposed to producer interests.

Mr. President, I saw very vividly in 1988 when I was campaigning for the opportunity to serve the people of Nebraska what happens when we disregard the intent of the farm program. For all the year 1987 and a part of 1988, the real concern that was going on in America as to our farm programs was we had too big a surplus; that surpluses were causing the farm program to be too expensive; that surpluses were causing commodity prices to be low. Everyone was describing it as a surplus, Mr. President, until back-to-back droughts in 1987 and 1988 converted that surplus into an inventory. Suddenly, people were concerned that perhaps we did not have enough stocks on hand to protect the consumer against potential increases in prices that would occur if those ending stocks get too low.

I have heard far more than I would like, Mr. President, people describing with a considerable amount of ignorance why the farm program is there in the first place. I understand there is deteriorating support, and that is one of the reasons why I am here today.

There is a specific provision in the 1990 farm program called triple base. It is a program under which farmers are told the Government will no longer provide benefits at a certain percentage of crop land base; that farmers would be required to adhere to the very costly conservation and environmental restrictions.

Mr. President, it is because of this triple-base situation that I rise today to introduce legislation intended to establish a simple principle: When the public withdraws benefits from farmers, the public at that point forfeits the right to tell farmers how to farm.

This bill simply says that on a farmer's so-called triple base, or unpaid acreage, the farmer will no longer be subject to the conservation compliance and wetlands protection requirements of current law. Period.

Chief Justice John Marshall declared in 1821 that, "The power to tax involves the power to destroy." If he were around today, observing the role of the Federal Government in our daily lives, Justice Marshall would be tempted, I think, to revise his earlier maxim. The modern-day mutation might be: "The authority to confer benefits involves the authority to impose mandates."

Certainly no segment of our society has come to understand this truth better than American farmers.

There is a perception out there among much of the general public that when the Government pays benefits to farmers, it simply writes out a check; the farmer's only obligation is to cash it. The corn farmer gets a check, the cotton farmer gets a check, and they both get a check simply because they are farmers.

Nothing could be further from the truth.

In a typical example, Mr. President, in order for a corn farmer in Nebraska to be eligible for farm program benefits, that farmer must—go to the local ASCS office and sign up for the farm program; agree to idle a certain percentage of farmland equal to whatever the acreage reduction requirement is for that year; plant a cover crop on this set-aside acreage to protect it against erosion, and control weeds on that ground; and have in place a conservation plan for the entire farm that requires the farmer to farm in certain ways, such as planting specific crops, farming on the contour, constructing terraces on hillsides, establishing perennial covers on waterways, leaving a specified amount of crop residue on the field following harvest, consulting the local Soil Conservation Service office before repairing any ruts created during a wet harvest, and so on and so on and so forth.

Mr. President, you are familiar with the restrictions placed once a farmer has signed up for that program.

In addition, a farmer has to fill out a mountain of paperwork describing the nature of the farming operation, whether it is organized as a corporation or partnership, how many people are involved in the operation, and so forth, in order to make sure that the farmer does not run afoul of the farm program payment limitations.

The consequence of all this regulation is to make sure the farmer is never alone when out in the field. In a sense, today's farmer has two people riding along on the tractor. On one fender is USDA, making sure the farmer is adhering to all farm program and conservation requirements. On the other side is the taxpayer, ready to take away farm program payments if the farmer makes a misstep.

Mr. President, some people may ask why I am introducing this bill. After all, I count myself as a very strong supporter of the conservation compliance requirements that were first enacted in the 1985 farm bill. I even consider myself a supporter of so-called swampbuster provisions—especially if we can bring some reason to the process of defining and regulating wetlands.

But there is one thing I support more than all of these, and that is the farm program itself, and the need to ensure its effectiveness. After all, it is the farm program that helps to guarantee an abundant supply of affordable food for consumers. And more to the point, our farm price support program helps make it possible for farmers to afford the conservation measures that the public, including farmers, tend to support.

For some reason that I do not understand, Mr. President, many people fail to grasp this nexus between our farm and conservation programs. They don't seem to realize, for example, that participation in the corn program has fallen from 90 percent to 75 percent over the past 6 years. Or if they do, they do not seem to recognize that this drop in participation coincided with a steady decline in farm program support levels coupled with the deeper bite of conservation requirements tied to farm program eligibility.

I only wish, Mr. President, that every American could seize this relationship in the way that the Europeans apparently have.

Mr. President, I ask unanimous consent to insert in the RECORD at the conclusion of my remarks an article from Hoard's Dairyman entitled, "German Farmers are Paid to Keep the Countryside Attractive."

This article goes on to describe how German farmers are paid under a program whose title is translated as, "market relief and countryside care premiums." Under the program, 43,000 German farmers are "earning $70 million in special grants from federal and regional governments this year for adopting less intensive methods of production and keeping the countryside tidy." Millions of dollars to keep the countryside tidy. The farmer pictured in the article is paid $117 per acre to "keep the countryside neat."

What a contrast this is with the sense of conservation on the cheap that seems increasingly to pervade our farm programs.

Nothing better exemplifies this trend toward conservation on the cheap than the triple base concept that was introduced with enactment of the 1990 farm bill. Under triple base, farmers were told that, as a cost reduction measure, the government would no longer provide benefits on 15 percent of each farm's cropland base acreage. On those triple base acres, farmers would no longer receive Federal payments. However—however—farmers would still be required to follow stipulated conservation practices on these free acres.

The principle up until 1990 had been: benefits equal mandates. The new principle, apparently, is: forget the carrot, use the stick.

What really caused me to say, enough, however, was the proposal in the proposal in the administration's budget to push the size of the triple base requirement from 15 to 25 percent of a farm's cropland base, with no relief provided on the regulatory side. I simply believe that it is time to reverse this infringement, to stop it once and for all.

By my estimation, this bill, once enacted, will potentially free at least 32 million acres of cropland to be farmed as farmers want to farm it. That total would rise to at least 53 million acres if the administration's proposed increase in the triple base requirement is adopted.

To those who might be alarmed by the lifting of conservation and environmental edicts on tens of millions of acres, I would say this: First, the overwhelming majority of farmers share a conservation ethic that will ensure this land is cared for. They do not need the government telling them how to live it.

Second, if you are indeed concerned about achieving the conservation goals that we have established for our Nation, then please give some thought, considerable thought, to joining us in attempting to strengthen farm income so that we can reach our environmental objectives.

If we stay on our current course, farmers are going to be left with no farm program and little income—only mandates and edicts. If the public is set on withdrawing farm benefits, then I intend to see that the public disengages the mandates and edicts that accompany these benefits. My message will be: You cannot have it both ways. If you are going to take away the carrot, then put away the stick. Do not expect to get conservation on the cheap. Cheap conservation will prove as costly to our rural economy, and to strength as a nation, as cheap food.

The aforementioned article is printed at this point.

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

GERMAN FARMERS ARE PAID TO KEEP THE COUNTRYSIDE ATTRACTIVE

(By Norman Dunn)

Self-sufficiency is the key to Georg and Christof Mayer's 50-cow dairy unit in Germany's Baden-Württemberg region. Except for 25 percent soybean meal mixed in the grain rations, all feed for the 12,100-pound-average-yield Fleckvieh herd is home-grown on the 148-acre farm.

In comparison with Germany's average $20.35 (U.S. dollars) per 100 pounds producers' milk price, this father-and-son team's average for their 4 percent fat and 3.5 percent protein milk is high at $21.94 per 100 pounds—their creamery sells the milk at a premium in bottles.

But this year, the Mayer family has another income coming onto the farm: along with 43,000 German farmers, they've signed on as "caretakers of the countryside" in a new European Community (EC)-approved program of grants on trial in their area.

While they still come under the EC milk quota and grain compensation schemes, these farmers are earning $70 million in special grants from federal and regional governments this year for adopting less intensive methods of production and keeping the countryside tidy.

If the Mayers cut the stocking rate on some of their pastures, or stop using herbicides on small grains or cut back grass and undergrowth on steep banks, they're awarded a certain number of points per acre under the new voluntary program called MEKA—the German initials for "market relief and countryside care premiums."

At the end of last year, these points were added up and exchanged for hard cash at a rate equivalent to $13.80 per point and with a payment limit of $153 per acre.

"The MEKA program is a new concept for supporting farmers' incomes and, at the same time, rewarding them for activities that help the whole rural society," explains Georg Mayer.

"This is a picturesque region just west of Stüttgart, and we get lots of holidaymakers in the summer. That's why getting paid through MEKA for keeping the landscape neat and tidy is so useful here. The spin-off from tourism helps the villages and farms through bed and breakfast and farm shops."

STOP FLOW OFF THE FARM . . .

He adds that badly needed extra income for farmers should also help stop the flow of young people from the farms.

How does MEKA affect the Mayers' business?

"First, we keep our stocking rates below 0.7 cows per acre," explains son, Christof. "For this move away from intensive stocking, we get 1.25 points per acre—or the equivalent of $17.25 per acre extra at the end of the year."

The Mayers farm where a lot of fruit is grown. Orchards total 650 trees; for leaving the trees standing and for mowing between the trees, 4 points per acre are awarded—or $55.

The grass from these areas is good quality, say the Mayers, and is used for zero-grazing the cows and young stock. One of the changes made to win MEKA points features forage corn. Four points or $55 are awarded per acre for substituting another silage crop for corn—a move to discourage corn where there are soil erosion and nitrate seepage problems.

The Mayers have started to grow a 25 percent red clover and 75 percent meadow grass pasture instead. "Because we're pretty high up here anyway (1,755 feet above sea level) our corn was never top-yielding. We're now getting more feed value from our red clover silage mix in comparison," says Christof. "And, of course, we use much less fertilizer with the pasture."

STILL GROW SOME CORN . . .

Fifteen acres of corn still are grown, though. A mix of first-cut clover silage and corn silage produced maintenance plus 26.5 pounds milk last autumn. Christof feeds for the remaining production in the all-year-round calving herd a 40:40:20 mix of milled home-grown wheat, barley and oats plus 25 percent soyameal.

Fifty milkers and a six-point herringbone parlor with free stall housing and automatic slurry scraping means the Mayers have one of the most modern dairying set-ups in the region, where the average milking herd is between 17 and 18 cows.

This family also differs because it has stayed with the traditional Fleckvieh red and white breed instead of changing over to Friesian/Holstein milkers. The reason: "They perform well on simple homegrown feed, and the bull calves and old cows sell for much higher prices than black and whites," explains Christof. Barren cows fetched the equivalent of $1,040 last fall with three-week bulls making up to $480.

Meanwhile, the Mayers have stopped using plant growth regulator and herbicide in cereals (4 points and 2 points per acre respectively).

Less intensively grown grain is a real alternative to set aside, feels Christof. No growth regulator means nitrogen fertilizer applications have to be cut—thus helping to avoid any nitrate pollution dangers in ground water.

"If we have a special problem with weeds in cereals—with docks, for instance, then we can apply for special permission to use herbicide," adds Georg.

There are many other ways of winning points under MEKA: introducing green manure crops for ploughing in between maincrops, for instance, or reducing output by drilling grain at a minimum six and two-third inches between rows.

Farmers also are rewarded by MEKA for keeping rare farm breeds. For instance, the Hinterwälder cow which has evolved in the Black Forest to graze extremely steep banks is worth 10 points or $138 bonus a head per year.

"Our extra income will be $117 per acre for our orchards and permanent pastures," reckons Georg. "And much of this is money for tidying up the landscape which we do anyway."

On arable land, the MEKA measures taken by the Mayers give an average extra income of $108 per acre.

"Last year, our grain yields didn't suffer because of lack of herbicide or growth regulator. Wheat will top 5,300 pounds (88 bushels) per acre. We always choose high-yielding cereal varieties that stand well anyway.

"To earn our points, we haven't really changed our farming," he adds. "Instead, MEKA offers extra incentives to do more for the environment and the countryside."

Best of all, says Georg Mayer, MEKA means more income for farms—especially in disadvantaged areas—and a better quality of life all-round our in the country.

Mr. GRASSLEY. Mr. President, I concur wholeheartedly in the eloquent words of the distinguished Senator from Nebraska, and am pleased to join as an original cosponsor of this bill.

As the Senator from Nebraska points out—quite cogently in my view—what is threatened here is the very viability of Federal farm programs. If we take, and take, and take—without giving anything in return—why wouldn't a farmer just say "to heck with it," simply forgo farm program benefits and plow fencerow to fencerow. That would be disastrous both to farm prices and conservation practices.

But that is the path we are now taking.

Increasing the nonpaid acres to 25 percent, yet expecting farmers to fully comply with their conservation compliance and wetland protection requirements of current law, will provide many farmers with but another reason to opt out of farm program participation.

And I would suggest to those who view this as an anticonservation, antienvironmental measure, that farmers are the Nation's first conservationists. No one, anywhere, has their livelihood as intricately linked to the land as farmers. In Iowa, the rich soil is our most valuable resource. Farmers know well the benefits preventing soil erosion through a variety of means. Farmers also recognize the cost, waste, and potentially harmful effects of overapplication of farm inputs on their land. Farmers recognize that it is not only their bottom line which dictates many conservation practices, but also a desire to farm in a conservation-friendly manner, in ensuring the viability of their land, and the quality of their ground water.

Absolving farmers from conservation compliance and wetland protection requirements on their nonpaid acres will, in all likelihood, not change the practices already performed by most farmers. But, as the Senator from Nebraska ably stated, if the public is set on withdrawing farm benefits, then the public must disengage the burdens that accompany these benefits.

By Mr. INOUYE (for himself, Mr. AKAKA, Mrs. BOXER, Mr. CAMPBELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, and Mrs. MURRAY):

S. 611. A bill to amend the Federal Aviation Act of 1958 to provide for the establishment of limitations on the duty time for flight attendants; to the Committee on Commerce, Science, and Transportation.

FLIGHT ATTENDANT DUTY TIME ACT

• Mr. INOUYE. Mr. President, on behalf of our country's flight attendants, I am introducing legislation that would amend the Federal Aviation Act to provide restrictions on the duty-time hours for flight attendants.

Currently, the Federal Aviation Administration [FAA] limits the number of hours that airplane pilots, flight engineers, flight navigators, dispatchers, and air traffic control operators perform. However, flight attendants' duty-time hours are not regulated. As a result, factors such as fatigue and exhaustion threaten a flight attendant's ability to service customers in a safe and satisfactory manner. In addition to providing the various services and conveniences during a flight, flight attendants are responsible for performing routine safety procedures and must be alert and prepared throughout the flight. Flight attendants are trained and prepared to handle emergencies such as, rapid depressurization, cabin fires, passenger illness, and terrorist attacks. Their job is of vital importance to the survival and safety of every passenger and aircraft that exist. In order to ensure safe and proper travel for everyone, the measures and time restrictions stated in this bill must be implemented.

For 15 years now, the FAA has promised to issue some form of flight-duty time stipulation for flight attendants and have not kept their promise. Furthermore the Department of Transportation [DOT] reported that there was no conclusive evidence to prove that a correlation between a flight attendant's fatigue and passenger safety ever existed. However, it is not difficult to understand that a flight attendant who has been on her feet and working for nearly 20 hours will not be able to respond to emergencies or other potential safety hazards in a manner necessary for such situations. Both the FAA and the DOT have acknowledged numerous instances in which flight attendants have been required to work as many as 24 consecutive hours.

Regardless of the dangers that overworked flight attendants pose to the safety of their customers and themselves, the DOT has persistently refused to include them in its protective class of safety sensitive aviation employees. Yet, the DOT has determined that flight attendants are safety sensitive employees. This conflict and inconsistency in position is simply not in the best interest of those who utilize the airways for transportation or employment.

Mr. President, we request unanimous consent that the text of our bill be printed in the RECORD.

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

S. 611

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 "Flight Attendant Duty Time Act".

SEC. 2. AMENDMENT TO THE FEDERAL AVIATION ACT.

(a) IN GENERAL.—Title VI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1421–1433) is amended by adding at the end thereof the following new section:

"SEC. 614. DUTY TIME OF FLIGHT ATTENDANTS.

"(a) RULEMAKING PROCEEDING.—Not later than 60 days after the date of the enactment of this section, the Secretary shall initiate a rulemaking proceeding for the purpose of establishing limitations on duty time for flight attendants, including minimum rest requirements.

"(b) FINAL REGULATIONS.—Except in any case in which the prohibitions referred to in subsection (c) take effect, the Secretary shall issue, not later than 240 days after the date of the enactment of this Act, final regulations establishing limitations on duty time for flight attendants, including minimum rest requirements as follows:

"(1) For a domestic flight, a maximum of 14 hours of actual duty time, plus a maximum of 2 additional hours spent deadheading to return to the flight attendant's domicile, and a minimum of at least 10 consecutive hours of rest after each duty period.

"(2) For an international flight, a maximum of 16 hours of actual duty time and minimum of at least 12 consecutive hours of rest after each duty period.

"(3) For a long-range international nonstop flight, a maximum period of actual duty time no more than 4 hours greater than the scheduled duty time, with a maximum period of actual duty time no greater than 20 hours, and a minimum consecutive rest period equal to at least twice the scheduled flight time.

"(4) For all flight attendants, a minimum of eight 24 consecutive hour periods of rest at their domicile per calendar month and at least one 24 hour consecutive period of rest within every 7 days.

"(5) For all flight attendants, at least a continuous 1 hour rest break on any flight scheduled for 8 hours or more of flight time in a designated rest area.

"(c) MANDATED PROHIBITIONS.—If the Secretary does not initiate a rulemaking proceeding under subsection (a) before the 60th day following the date of the enactment of this Act or does not issue final regulations under subsection (b) before the 240th day following such date of enactment, no air carrier may after such date operate an aircraft using a flight attendant who has been on duty more hours, or who has had fewer hours of rest, than those required by paragraphs (1) through (5) of subsection (b).

"(d) MODIFICATION OF MANDATED PROHIBITIONS.—The Secretary may issue regulations modifying the prohibitions contained in paragraphs (1) through (5) of subsection (b) if the Secretary determines that such modifications are in the interest of safety and transmits a copy of the modifying regulations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The modifying regulations may not take effect until the expiration of the 90-day period beginning on the date of the transmittal of the modifying regulations to such committees.

"(e) DEFINITIONS.—In this section, the following definitions apply:

"(1) AIR CARRIER.—The term 'air carrier' means any air carrier which is subject to the provisions of part 121 or part 135 of title 14 of the Code of Federal Regulations.

"(2) DEBRIEFING TIME.—The term 'debriefing time' means a time period of at least 30 minutes for domestic flight and of at least 45 minutes for international flight after the block-in time of the last flight or segment of a flight.

"(3) DESIGNATED REST AREA.—The term 'designated rest area' means a passenger seat, sleeper seat, or bunk of an aircraft assigned for crew rest purposes.

"(4) DOMESTIC FLIGHT.—The term 'domestic flight' means any flight or segment of a flight worked by a flight attendant totally within the 48 contiguous States and the District of Columbia.

"(5) DUTY TIME.—The term 'duty time' means all time worked for an air carrier at any place and in any capacity and, with respect to flying, shall begin at the required report time and shall end at the conclusion of the debriefing time, or when released by the carrier, whichever is later. Duty time accrues until the crewmember is given a required rest period by the carrier. Time spent deadheading, either on an aircraft or by surface transportation, to or from an assignment by an air carrier, time spent ferrying, and time spent attending meetings and training shall also be considered duty time. Duty time continues—

"(A) throughout a rest period of a shorter duration than that contained in subsection (b)(1), (b)(2), or (b)(3), as the case may be; and

"(B) during in-flight rest periods contained in subsection (b)(5).

"(6) INTERNATIONAL FLIGHT.—The term 'international flight' means any flight worked by a flight attendant for which a take off or landing is scheduled outside the 48 contiguous States and the District of Columbia.

"(7) LONG-RANGE INTERNATIONAL NONSTOP FLIGHT.—The term 'long-range international nonstop flight' means a single nonstop international flight scheduled for 8 hours or more of flight time.

"(8) REPORT TIME.—The term 'report time' means a time period of at least 30 minutes prior to the scheduled departure time of the first flight or segment of a flight in a flight attendant's duty period or the time the flight attendant is required to report to work, whichever is earlier.

"(9) REST.—The term 'rest' means uninterrupted time free from all duty.

"(10) SCHEDULED FLIGHT TIME.—The term 'scheduled flight time' means the elapsed time based on the time shown in schedules given by an air carrier to a travel agent.

"(11) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(f) TREATMENT OF DUTY PERIOD WITH DOMESTIC AND INTERNATIONAL FLIGHT SEGMENTS.—A duty period with domestic and international flight segments shall be treated as domestic flying for the purpose of calculating duty and rest requirements under this section if the majority of the flight time during that duty period is on a domestic segment or shall be treated as international flying if the majority of the flight time during that duty period is on an international segment.".

(b) CONFORMING AMENDMENT.—The table of contents contained in the first section of the Federal Aviation Act of 1958 is amended by adding at the end of the matter relating to title VI the following:

"Sec. 614. Duty time of flight attendants.
"(a) Rulemaking proceeding.
"(b) Final regulations.
"(c) Mandated prohibitions.
"(d) Modification of mandated prohibitions.
"(e) Definitions.
"(f) Treatment of duty period with domestic and international flight segments.".•

• Mrs. MURRAY. Mr. President, today I join my colleagues, including the senior Senator from Hawaii who, I would note, has been a steadfast champion of these issues, as an original cosponsor of the Flight Attendant Duty Time Act of 1993.

This bill would provide flight attendants with what I consider to be basic rights of all working people. Those rights should include a minimum rest period and maximum duty time. I also strongly support policies that encourage individuals to spend time with their families, to participate in community activities, and to know they are entitled to their own free time.

One of the most important features of this bill is that it would give flight attendants, many of who are mothers and fathers, the ability to plan the time they spend at home with their families each week and each month. To help carry out the policy, this bill includes a provision to ensure an additional 2 hours of what is called deadheading time to allow flight attendants to return to their homes at the end of domestic trips.

As we fly back and forth to our States, most of us take for granted that during our trips flight attendants are always there to provide a pillow, a blanket, or something to eat or drink. We too often overlook the fact that their primary responsibility is as safety professionals who are charged with protecting the lives, the health and the well being of their passengers.

We expect flight attendants to react to all sorts of in-flight contingencies, from taking care of young unaccompanied children, to solving minor medical problems and even spotting and confronting security situations. Fortunately, as passengers, few of us have ever had to confront a genuine in-flight emergency. However, we would be horrified if we were experiencing a critical in-flight situation and our flight attendants were so exhausted after a 17-to-30 hour day that they could not respond quickly and expertly to an emergency.

It is just this type of situation that makes it so important that we support and pass the Flight Attendant Duty Time Act of 1993. By establishing maximum duty time and minimum rest periods, this bill helps insure that flight attendants will be at their peak, mentally and physically prepared to assist all passengers; including young, elderly and disabled persons, in all circumstances including and especially emergency situations.

The FAA requirements for flight attendants are primarily based upon the assumption that they are the vital human link in assisting passengers immediately during emergency landings and evacuations. Seconds count in these situations where post crash fires and fumes are major killers, and flight attendants must be rested enough to act quickly with clear heads. Studies have shown that every second gained in an evacuation can mean saving another life. During an evacuation, the flight attendant, by far, is the most important member of an airplane's crew. We must take action to ensure that flight attendants have the necessary support to ensure the safety of the people aboard our Nation's airlines.

It is time for our country's policies to catch up with the rest of the world. The basic protections in this bill have been adopted by 23 other countries, and the Federal Aviation Administration has promised Congress for 15 years that it would issue a rule establishing maximum work days and minimum rest periods for flight attendants. It is time that we give this work force, dominated by women, the basic rights that their counterparts in other aviation jobs acquired years ago. I urge my colleagues to join in support of this important legislation.•

By Mr. KOHL (for himself and Mr. BROWN):

S. 612. A bill to protect the privacy of telephone users by amending section 3121 of title 18, United States Code; to the Committee on the Judiciary.

TELEPHONE PRIVACY ACT OF 1993

• Mr. KOHL. Mr. President, I introduce the Telephone Privacy Act of 1993 with my distinguished colleague from Colorado, HANK BROWN.

Once again American ingenuity has developed a new technology. This new device is known as caller identification [ID]. And it has begun to change the way we use the telephone.

Caller ID is really very simple: when your phone rings, caller ID displays on a screen the number of the person placing the call. If you know the number, you know who is calling. And based on that information, you can decide whether or not to answer the call.

Caller ID is already being offered in a variety of jurisdictions—including Maryland, Virginia, and the District of Columbia—and it will soon be in place in many more States, including Wisconsin. Indeed, this technology is developing so rapidly that some telephone companies soon expect to offer caller ID serves that display the name of the person calling you as well as their telephone number.

In my judgment, caller ID is a welcome development. it can tell us who is calling without requiring us to talk to the caller. And it can allow people to decide if they want to take the call before picking up the phone. As a result of this feature, caller ID will enhance our privacy.

But in my view caller ID also has the potential to invade our privacy and reduce our rights. Telephone companies can force our phone numbers to be displayed every time we make a call even if we have an unlisted number or we do not want people to know where we are calling from. In addition, since the recipient of the call knows the number of the person calling them, they can use a device known as a reverse directory and easily obtain the caller's name and address. That is, caller ID without any restriction can give the person you are calling your name, your phone number and your address—whether you want them to have it or not.

I believe that unrestricted caller ID violates our fundamental right to privacy. For example, people have the right to call a crisis hotline, or a telephone marketer, or even the IRS to ask for help without saying who they are and where they live. Senators and other public figures should be able to call the Washington Post—whose reporters have caller ID on all their phones—without revealing their home phone numbers and addresses. And consumers should be able to call a business and ask for information without being compelled to identify themselves. In my judgment, there is no justification for such forced disclosure. And yet with unrestricted caller ID, every time you place a call to any person or organization, for any reason, you disclose a lot of information about yourself.

In addition to privacy concerns, there are practical problems with unrestricted caller ID: it can be dangerous. Consider a few examples. Undercover officers sometimes call drug dealers from precincts to arrange buys. If a target recognizes where the call comes from, it could ruin the bust or, even worse, result in the death of a policeman. And battered women often take refuge with friends but call home to check on things. If their spouses know where they are staying, further abuse could result.

The point is simply this: phone companies cannot determine when it is safe to reveal our numbers and addresses. There are too many variables that even the phone company cannot foresee.

Fortunately, there is a simple way to realize the benefits of caller ID while avoiding its potential problems: just allow consumers to retain their freedom of choice. Let us decide when we want to reveal our phone numbers and when we do not using another new technology which gives us that choice. It is known as per-call blocking. Per call blocking works this way: when you want to make a call without revealing your number, you simply press a few digits on the phone and the display of your number is blocked. With this per-call blocking option, people can display their numbers when calling friends and family—and they can keep their phone number confidential when they want to.

A growing number of phone companies—and a growing number of States—have recognized the importance of protecting a caller's right to privacy and offer a blocking option. But in order to ensure that all telephone customers retain this crucial freedom of choice, we are introducing the Telephone Privacy Act of 1993.

It would require that telephone companies that offer caller ID give callers, at a minimum, the option of per call blocking. That way consumers can block the display of their telephone numbers on a per call basis without charge.

To accommodate States which have already considered this issue, the proposal "grandfathers in" State laws and regulations which authorize per line blocking if a State has such a system in place at the time that the amendment is enacted. To address the special problems of battered women shelters, the measure requires telephone companies to offer additional privacy safeguards for them. In addition, the legislation will prevent potential abuses by 800 and 900 phone services but it will not block automatic number identification.

As a result of these simple steps, the proposal protects the privacy of callers while ensuring the value of the caller ID service. It would also move the caller ID technology toward a uniform Federal standard rather than a patchwork of inconsistent State laws.

Mr. President, our approach—centered on requiring free per call blocking—makes sense. It balances our need for privacy with our desire to see the caller ID technology develop.

Just as important, Mr. President, is the fact that per call blocking does not reduce the value of caller ID. Let me give you a few examples.

First, blocking will not reduce law enforcement's ability to deter obscene and harassing phone calls. In fact, the telephone technology that makes caller ID possible also makes it possible to stop telephone terrorists without in any way undermining the privacy of law-abiding citizens.

We all know that a few telephone companies market caller ID as the only way to reduce obscene and harassing phone calls. But that's false advertising: the truth is we have the technology—and with this bill the ability—to protect victims and ensure privacy at the same time. Here is how.

Built into the software which makes caller ID operate are other capabilities. For example, there is call trace, which allows a victim of an abusive call to automatically forward the number of the caller to the authorities—merely by dialing a three-digit code. Then there is call return, which allows the recipient to automatically redial the number of the person who just called. And finally, there is call reject, which allows an individual to block all calls to his or her phone from a particular line—forever preventing calls from a telephone harasser. So with the use of these services—call trace, call reject, and call return—harassing phone calls can be stopped.

And best of all, Mr. President, these protective services work even when a number is blocked, and you do not have to subscribe to caller ID at all to use them. In virtually every State in which caller ID is available, phone companies offer these services to everyone, whether they have caller ID or not.

Second, far from reducing the value of caller ID, this legislation is essential to securing its future. Right now, there are serious questions being raised about the legality of caller ID. Most experts, including the Congressional Research Service, have concluded that caller ID is a trap and trace device that violates Federal law. And last year the Pennsylvania Supreme Court agreed: the Court ruled that caller ID violated a provision in the Pennsylvania wiretap statute which is virtually identical to a provision in the Federal version. This legislation would resolve the ambiguities in our Federal wiretap statutes and ensure the legality of caller ID. And it would prohibit States from making caller ID illegal.

Finally, there is one more reason to pass this legislation. Per call blocking already exists—but only for the wealthy. There is a 900 service that charges people a few dollars a minute and allows them to place their calls through a third party intermediary. It is the intermediary's number which is displayed; the recipient of the call never gets to see the phone number of the person actually making it. The existence of such a service supports the essential thrust of our proposal, which is that there are times when you do not want someone you are calling to have your number. But the fact that such a

service even exists also is unfortunate because blocking should be a matter of equity as well as privacy. Phone companies should make it available to everyone—rich and poor alike.

Mr. President, during the 102d Congress the Judiciary Committee favorably reported my measure by a 10 to 1 vote. That's not surprising, because it is a joint product of the Committee—Senators LEAHY, BROWN, BIDEN, and THURMOND have all contributed to it and deserve praise.

But since that time we have made, I believe, several important improvements. At the request of Senator THURMOND, we authorized the use of caller ID by most governmental entities, so that they too can receive the benefits of this valuable technology. We also removed the requirement that telephone companies provide blocking from pay phones—in order to deter harassing calls from phone booths. And at the suggestion of Senator METZENBAUM we have provided consumers with greater flexibility by requiring telephone companies to offer Call Trace—free or for a charge—wherever they offer caller ID.

Mr. President, this legislation is clearly a compromise, but it is a fair and balanced one. Simply put, without compromise we do not have legislation. And without Federal legislation we do not protect telephone privacy at all in New Jersey, Virginia, Indiana, Mississippi, and the other States that permit caller ID but mistakenly prohibit blocking.

In conclusion, Mr. President, this measure allows us to expand the use of caller ID while protecting the privacy rights of individuals. We ensure caller ID can grow by making it clear that it is legal under Federal wiretap laws. We protect privacy by ensuring that callers—when they want—will have the right to withhold their numbers. And we allow vigorous pursuit of obscene and harassing phone callers.

Mr. President, ED MARKEY, who chairs the Subcommittee on Telecommunications and Finance, has agreed to introduce a companion measure in the House. And a wide variety of groups support this legislation. We have the backing of the Consumer Federation of America, the American Civil Liberties Union, Public Citizen, Ameritech and the Direct Marketing Association.

Why do so many different organizations favor our approach?

The answer is simple: The Telephone Privacy Act of 1993, Mr. President, is a balanced piece of legislation. It is a measure that is needed. And it is a proposal that ought to become law.

Mr. President, I ask unanimous consent that the bill be printed in its entirety at the conclusion of my remarks.

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

S. 612

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 "Telephone Privacy Act of 1993".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to protect the right to privacy of telephone users by enabling them to limit the dissemination of their telephone numbers to persons of their choosing;

(2) to encourage the use of new services which discourage harassing and obscene telephone calls even though information identifying the caller may be blocked; and

(3) to require government entities to give public notice of their use of caller identification service.

SEC. 3. AMENDMENT OF TITLE 18, UNITED STATES CODE.

(a) PROHIBITIONS.—Section 3121 of title 18, United States Code, is amended to read as follows:

"§3121. General prohibition on pen register and trap and trace device use; exceptions

"(a) IN GENERAL.—Except as provided in this section, no person may install or use a pen register or a trap and trace device without first obtaining a court order under section 3123 of this title or under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).

"(b) EXCEPTIONS.—(1)(A) Subject to paragraph (2), the prohibition of subsection (a) does not apply with respect to the installation or use of a pen register or a trap and trace device by a provider of electronic or wire communication service—

"(i) relating to the operation, maintenance, or testing of a wire or electronic communication service or to the protection of the rights or property of such provider, or to the protection of users of that service from abuse of service or unlawful use of service;

"(ii) to record the fact that a wire or electronic communication was initiated or completed in order to protect such provider, another provider furnishing service toward the completion of the wire communication, or a user of that service, from fraudulent, unlawful or abusive use of service;

"(iii) with the prior consent of the recipient of the communication when the communication may be relevant to an ongoing criminal or counterintelligence investigation;

"(iv) in connection with the provision of call return service; or

"(v) in connection with the provision of caller identification service to a user of that service, if the service provider—

"(I) permits the recipient of a communication to use call trace; and

"(II) permits the originator of a communication to block caller identification—

"(aa) on a per call basis without charge;

"(bb) on a per line basis with or without charge, in a State in which it is authorized by statute or regulation prior to the date of enactment of this clause, and at the request of the originator; and

"(cc) on a per line basis without charge at the request of an originator that is a victim of domestic violence protected by court order, a victim's service program, or a battered women's shelter or other organization providing safe haven for victims of domestic violence.

"(B) Subparagraph (A) (iv) and (v) shall not be construed to require a provider of electronic or wire communication service to enable an originator of a communication to block caller identification—

"(i) on the emergency assistance telephone line of a Federal, State, or municipal police or fire department or on a 911 emergency line;

"(ii) on calls within a customer's system; or

"(iii) of a communication made from a public pay telephone.

"(2) The exception afforded by paragraph (1) does not apply to a communication to a governmental entity on a line that is publicized or represented as ensuring the confidentiality of the originator of a communication, such as an anonymous tip line or a confidential information line.

"(3) The prohibition of subsection (a) does not apply with respect to the use of information that a subscriber to an automatic number identification service or charge number service receives, to the extent that the use consists of—

"(A) use for billing and collection, routing, screening, and completion of the originating telephone subscriber's call or transaction, or for services directly related to the originating telephone subscriber's call or transaction;

"(B) reuse or sale after the recipient orally notifies the originator of the recipient's desire to reuse or sell the information and extends to the originator an option to limit or prohibit such reuse or sale;

"(C) use for the purposes of—

"(i) performing a service or transaction that is the subject of the communication;

"(ii) ensuring the quality of network performance, the maintenance of security, or the effectiveness of call delivery;

"(iii) compiling, using, or disclosing aggregate information;

"(iv) complying with law or a court order; or

"(v) offering to an originator of a communication with which the recipient has an established customer relationship a product or service that is directly related to products or services that the originator has previously obtained from the recipient of the communication; or

"(D) use for any lawful purpose if there is available to the originator of the communication the ability to block caller identification to the recipient—

"(i) on a per call basis without charge; or

"(ii) on a per line basis with or without charge in a State in which it is authorized by statute or regulation prior to the date of enactment of this clause and offered in combination with blocking on a per call basis without charge.

"(4) Nothing in paragraph (3) affects the provision or use of automatic number identification or charge number information by a provider of electronic or wire communication service.

"(c) CIVIL ACTION.—(1) An originator of a communication that is aggrieved by the knowing or intentional failure of a provider of communication service to allow blocking of caller identification as described in subsection (b)(1)(A)(v) may recover from the provider in accordance with section 2707.

"(2) An originator of a communication that is aggrieved by the knowing or intentional use of caller identification information by the recipient of the communication in violation of subsection (b)(3) may recover from the recipient in accordance with section 2707.

"(d) CRIMINAL PENALTY.—(1) Whoever knowingly violates subsection (a) shall be fined under this title or imprisoned not more than one year, or both.

"(2) Paragraph (1) does not apply to the use of information that is made available to the recipient of a communication through an automatic number identification or charge number service.

"(e) PREEMPTION.—Notwithstanding any other provision of law, no State may prohibit, in any way other than in accordance with subsections (a) and (b), the making available by providers of electronic or wire communication services or the use by their customers of caller identification service.

"(f) INTENT OF CONGRESS.—This section is intended neither to endorse nor to facilitate the use of blocking of caller identification by originators of obscene or harassing telephone calls, nor is it intended to limit the enforcement of laws prohibiting such telephone calls.".

(b) DEFINITIONS.—Section 3127 of title 18, United States Code, is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(7) the term 'automatic number identification or charge number' means an access signaling protocol in common use by common carriers that uses an identifying signal associated with the use of a subscriber's telephone to provide billing information or other information to the local exchange carrier or any other interconnecting carriers;

"(8) the term 'block' means to prevent or control, and the term 'blocking' means a service that allows the originator of a call to prevent or control, the transmission of information that identifies the originator to the recipient of the call;

"(9) the term 'caller identification' means the transmission of information that identifies the originator of a wire communication to the recipient of the communication;

"(10) the term 'call return service' means a service provided to a user of a communication line that enables a recipient of a communication on that line to initiate a return communication to the originator without disclosing to the recipient the identity of the originator (except in connection with the provider's regular billing process); and

"(11) the term 'call trace service' means a service provided to a user of a communication line that enables a recipient of a communication on that line to cause the identity of the originator of the communication to be disclosed to the service provider's security personnel and to law enforcement officials without disclosing to the recipient the identity of the originator.".

SEC. 4. NOTICE BY GOVERNMENT ENTITIES OF USE OF CALLER IDENTIFICATION SERVICE.

(a) FEDERAL ENTITIES.—A Federal Government entity that uses caller identification service shall publish in the Federal Register and have printed in any phone directory in which its number is listed, for the guidance of the public, notice of the government entity's use of caller identification service within a reasonable time after initiating that use. The Federal Register notice shall describe the scope and purpose of that use.

(b) STATE AND LOCAL ENTITIES.—A State or local government entity that uses caller identification service shall make available and publish in the official publication of that State or local government entity and have printed in any phone directory in which its number is listed, for the guidance of the public, notice of that government entity's use of caller identification service within a reasonable time after initiating that use. The official publication notice shall describe the scope and purpose of that use.●

By Mr. HARKIN (for himself, Mr. CONRAD, Mr. INOUYE, Mr. GRASSLEY, Mr. ROCKEFELLER, Mr. METZENBAUM, Mr. FEINGOLD, Mr. CAMPBELL, Mr. DORGAN, and Mr. RIEGLE):

S. 613. A bill to prohibit the importation of goods produced abroad with child labor and for other purposes; to the Committee on Finance.

CHILD LABOR DETERRENCE ACT

Mr. HARKIN. Mr. President, I rise to introduce the Child Labor Deterrence Act of 1993. The bill I'm introducing today prohibits the importation of any product made, whole or in part, by children under the age of 15 who are employed in industry or mining. It is identical to a bill I introduced last August.

Mr. President, UNICEF and the International Labor Organization [ILO] estimate that hundreds of millions of children worldwide under the age of 15 are employed. Many of these children begin working in factories at the age of 6 or 7. They are poor, malnourished, and often work 60-hour weeks for little or no pay.

The situation is as deplorable as it is enormous. In many developing countries children represent a substantial part of the work force and can be found in such industries as glass, metal works, textiles, mining, and fireworks manufacturing.

According to the ILO, children under the age of 15 constitute approximately 11 percent of the work force in some Asian countries, 17 percent in parts of Africa, and a reported 12–26 percent in many countries in Latin America.

We know, for example, that between 5 to 10 million children are illegally employed in Mexico—often in hazardous jobs. In Mexico, 13-year-old girls have been found working 48-hour weeks making electric wiring strips for General Electric in Nogales, and making dashboard components for General Motors at their Delnosa plant.

Mr. President, let me just say that when the administration negotiates a side agreement on workers' rights with Mexico, it should contain an enforceable ban on products produced by child labor. As I have stated many times on the Senate floor, when people ask me what's my bottom line on the Mexican trade agreement, it's simply this: "Our country ought not to import any item from any country that permits the employment of child labor, period. That ought to be our policy." And, I'm determined to make that our country's policy.

The bill I'm introducing, however, is not only about Mexico and the NAFTA negotiations. It goes beyond that.

In Bangladesh, as many as 50,000 children are reported to be working in the garment industry. A former Catholic Sister recently wrote in a newsletter of her visit to the Saraka garment factory in November 1992. She said that 60 percent of the 500 workers in the factory were boys and girls under the age of 13. She tells of a 9-year-old girl who pleaded with her: "Please, can you take me with you? I don't want to stay here anymore." During her visit, the children informed the former Sister that if a child is sick and is absent for 1 day without notification they are docked 3 days' pay.

Mr. President, the United States accounts for more than 50 percent of export earnings from the garment industry in that country.

Conditions in the carpet-weaving industry in Nepal, Pakistan, China, and India are no better than the Bangladesh garment industry.

In Pakistan, the ILO reported in 1991 that an estimated half of the 50,000 children working as bonded labor in Pakistan's carpet-weaving industry will never reach the age of 12—victims of disease and malnutrition.

In India, according to a New York Times report, an estimated 300,000 to 1 million children in that country work in the weaving industry—making carpets for 12 to 16 hours a day. The United States imports over 40 percent of India's carpet exports.

I have press reports from India of children freed from virtual slavery in the carpet factories of northern India. Twelve-year-old Charitra Chowdhary recounted his story—he said, "If we moved slowly we were beaten on our backs with a stick. We wanted to run away but the doors were always locked."

In September, shortly after the Child Labor Deterrence Act was first introduced, about 150 children freed from the carpet industry protested in New Delhi calling for "Childhood not wages."

Mr. President, that's what this bill is about—children, whose dreams and childhood are being sold for a pittance—to factoryowners and in markets around the globe.

It's about protecting children around the globe and their future. It's about eliminating a major form of child abuse in our world. It's about breaking the cycle of poverty by getting these kids out of factories and into schools. It's about raising the standard of living in the Third World so we can compete on the quality of goods instead of the misery and suffering of those who make them. It's about assisting Third World governments to enforce their laws by ending the role of the United States in providing a market for goods made by children and encouraging other nations to do the same.

Mr. President, unless the economic exploitation of children is eliminated, the potential and creative capacity of future generations will forever be lost to the factory floor.

This legislation is not about imposing our standards on the developing world. It's about preventing those manufacturers in the developing world who exploit child labor from imposing their standards on the United States. And, it's about telling those who willingly and knowingly buy and sell goods made on the backs of a child, telling these traffickers of misery that we will not tolerate their dirty trade any longer. They are forewarned. If manufacturers and importers insist on investing in child labor, instead of investing in the future of children, I will work to assure that their products are barred from entering the United States.

Mr. President, as I said last August when I first introduced this bill, it is time to end this human tragedy and our participation in it. It is time for greater government and corporate responsibility. No longer can officials in the Third World or U.S. importers turn a blind eye to the suffering and misery of the world's children. No longer should American consumers provide a market for goods produced by the sweat and toil of children. By providing a market for goods produced by child labor, U.S. importers have become part of the problem by perpetuating the impoverishment of poor families. Through this legislation, importers now have the opportunity to become part of the solution by ending this abominable practice.

There is hope, however, Mr. President. Already, as a result of introducing this bill last August, foreign governments, manufacturers, and importers have begun to take corrective action. According to information I have received, the Oriental Rug Importers Association representing importers from China, Pakistan, Nepal, and India have formed a committee to deal with child labor issues. The Bangladesh Garment Manufacturers and Exporters Association [BGMEA] and the Government of Bangladesh have warned that country's garment industry of the dire consequences of violating Bangladesh law and employing children. The Asian-American Free Labor Institute and the BGMEA have now agreed to cooperate to solve the child labor law violations. American corporations are developing corporate codes of ethics that prohibit the use of child labor in the manufacture of their products. I also have a report from the Economic Times about steps being taken by the Government of India, carpet manufacturers, and importers to end the export of products made by child labor. The proposal being discussed consists of an elaborate labeling system and independent inspections by NGO's that could become a model for other industries currently employing child labor.

I have been informed that the Government of India will require the registration of carpet looms by March 31 and has taken several other steps to prevent the exploitation of children in the carpet industry. And, if the economic exploitation of child labor in India's carpet industry is eliminated, neither manufacturers nor United States importers should fear the passage of this bill.

Mr. President, countries do not have to wait until poverty is eradicated or they are fully developed before eliminating the economic exploitation of children. In fact, the path to development is to eliminate child labor and increase expenditures on children such as primary education.

Mr. President, the Child Labor Deterrence Act of 1993 is intended to strengthen existing U.S. trade laws and help Third World countries enforce their child labor laws. The bill directs the U.S. Secretary of Labor to compile and maintain a list of foreign industries and their respective host countries that use child labor in the production of exports to the United States. Once the Secretary of Labor identifies a foreign industry, the Secretary of Treasury is instructed to prohibit the importation of a product from an identified industry. The entry ban would not apply if a U.S. importer signs a certificate of origin affirming that they took reasonable steps to ensure that products imported from identified industries are not made by child labor. In addition, the President is urged to seek an agreement with other governments to secure an international ban on trade in the products of child labor. Further, any company or individual who would intentionally violate the law would face both civil and criminal penalties.

Mr. President, the bill places no undue burden on U.S. importers. I know of no importer, company, or department store that would willingly promote the exploitation of children. I know of no importer, company, or department store that would want their products and image tainted by having it publicly known that their products are produced by child labor. These entities take reasonable steps to ensure the quality of their goods; they should also be willing to take reasonable steps to ensure that their goods are not produced by child labor.

Mr. President, I am proud to be joined by Senators CONRAD, INOUYE, GRASSLEY, ROCKEFELLER, METZENBAUM, FEINGOLD, CAMPBELL, DORGAN, and RIEGLE in introducing the Child Labor Deterrence Act of 1993. I urge my colleagues to support this legislation. I ask unanimous consent that a copy of the bill and the article from the Economic Times that I mentioned be printed in the RECORD.

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

S. 613

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 "Child Labor Deterrence Act of 1993."

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

(a) FINDINGS.—The Congress finds the following:

(1) Principle 9 of the Declaration of the Rights of the Child proclaimed by the General Assembly of the United Nations on November 20, 1959, states that ". . . the child shall not be admitted to employment before an appropriate minimum age; he shall in no case be caused or permitted to engage in any occupation or employment which would prejudice his health or education, or interfere with his physical, mental, or moral development . . .".

(2) Article 2 of the International Labor Convention No. 138 Concerning Minimum Age for Admission to Employment states that, "The minimum age specified in pursuance of paragraph 1 of this article shall not be less than the age of compulsory schooling and, in any case, shall not be less than 15 years.

(3) According to the International Labor Organization, worldwide an estimated 200,000,000 children under age 15 are working, many of them in dangerous industries like mining and fireworks.

(4) Children under the age 15 constitute approximately 11 percent of the workforce in some Asian countries, 17 percent in parts of Africa, and a reported 12–26 percent in many countries in Latin America.

(5) The number of children under age 15 who are working, and the scale of their suffering, increase every year, despite the existence of more than 20 International Labor Organization conventions on child labor and laws in many countries which purportedly prohibit the employment of under age children.

(6) In many countries, children under the age 15 lack either the legal standing or means to protect themselves from exploitation in the workplace.

(7) The employment of children under the age of 15 commonly deprives the children of the opportunity for basic education and also denies gainful employment to millions of adults.

(8) The employment of children under the age of 15, often at pitifully low wages, undermines the stability of families and ignores the importance of increasing jobs, aggregated demand, and purchasing power among adults as a catalyst to the development of internal markets and the achievement of broad-based, self-reliant economic development in many developing countries.

(9) Adult workers in the United States and other developed countries should not have their jobs imperiled by imports produced by child labor in developing countries.

(b) PURPOSE.—The purpose of this Act is to curtail the employment of children under age 15 in the production of goods for export by—

(1) eliminating the role of the United States in providing a market for foreign products made by underage children; and

(2) encouraging other nations to join in a ban on trade in such products.

SEC. 3. UNITED STATES INITIATIVE TO CURTAIL INTERNATIONAL TRADE IN PRODUCTS OF CHILD LABOR.

In pursuit of the policy set forth in this Act, the President is urged to seek an agreement with governments that conduct trade with the United States for the purpose of securing an international ban on trade in the products of child labor.

SEC. 4. IDENTIFICATION OF FOREIGN INDUSTRIES AND THEIR RESPECTIVE HOST COUNTRIES THAT UTILIZE CHILD LABOR IN EXPORT OF GOODS.

(a) IDENTIFICATION OF INDUSTRIES AND HOST COUNTRIES.—The Secretary of Labor (hereafter in this section referred to as the "Secretary") shall undertake periodic reviews using all available information, including information made available by the International Labor Organization and human rights organizations (the first such review to be undertaken not later than 180 days after the date of the enactment of the Act), to identify any foreign industry and its host country that—

(1) utilize child labor in the export of products; and

(2) has on a continuing basis exported products of child labor to the United States.

(b) PETITIONS REQUESTING IDENTIFICATION.—

(1) FILING.—Any person may file a petition with the Secretary requesting that a particular foreign industry and its host country be identified under subsection (a). The petition must set forth the allegations in support of the request.

(2) ACTION ON RECEIPT OF PETITION.—Not later than 90 days after receiving a petition under paragraph (1), the Secretary shall—

(A) decide whether or not the allegations in the petition warrant further action by the Secretary in regard to the foreign industry and its host country under subsection (a); and

(B) notify the petition of the decision under subparagraph (A) and the facts and reasons supporting the decision.

(c) CONSULTATION AND COMMENT.—Prior to identifying a foreign industry and its host country under subsection (a), the Secretary shall—

(1) consult with the United States Trade Representative, the Secretary of State, the Secretary of Commerce and the Secretary of the Treasury regarding such action;

(2) publish notice in the Federal Register that such an identification is being considered and inviting the submission within a reasonable time of written comment from the public; and

(3) take into account the information obtained under paragraphs (1) and (2).

(d) REVOCATION OF IDENTIFICATION.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may revoke the identification of any foreign industry and its host country under subsection (a) if information available to the Secretary indicates that such action is appropriate.

(2) REPORT OF SECRETARY.—No revocation under paragraph (1) may take effect earlier than the 60th day after the date on which the Secretary submits to the Congress a written report—

(A) stating that in the opinion of the Secretary the foreign industry and host country concerned does not utilize child labor in the export of products; and

(B) stating the facts on which such opinion is based and any other reason why the Secretary considers the revocation appropriate.

(3) PROCEDURE.—No revocation under paragraph (1) may take effect unless the Secretary—

(A) publishes notice in the Federal Register that such a revocation is under consideration and inviting the submission within a reasonable time of written comment from the public on the revocation; and

(B) takes into account the information received under subparagraph (A) before preparing the report required under paragraph (2).

(e) PUBLICATION.—The Secretary shall—

(1) promptly publish in the Federal Register—

(A) the name of each foreign industry and its host country identified under subsection (a);

(B) the text of the decision made under subsection (b)(2)(A) and a statement of the facts and reasons supporting the decision; and

(C) the name of each foreign industry and its host country with respect to which an identification has been revoked under subsection (d); and

(2) maintain in the Federal Register a current list of all foreign industries and their respective host countries identified under subsection (a).

SEC. 5. PROHIBITION ON ENTRY.

(A) PROHIBITION.—

(1) IN GENERAL.—Except as provided in paragraph (2), during the effective identification period for a foreign industry and its host country the Secretary may not permit the entry of any manufactured article that is a product of that foreign industry.

(2) EXCEPTION.—Paragraph (1) shall not apply to the entry of a manufactured article—

(A) for which a certification that meets the requirements of subsection (b) is provided;

(B) that is entered under any subheading in subchapter IV or VI of chapter 98 (relating to personal exemptions) of the Harmonized Tariff Schedule of the United States; or

(C) that was exported from the foreign industry and its host country and was en route to the United States before the first day of the effective identification period for such industry and its host country.

(b) CERTIFICATION THAT ARTICLE IS NOT A PRODUCT OF CHILD LABOR.—

(1) FORM AND CONTENT.—The Secretary shall prescribe the form and content of documentation, for submission in connection with the entry of a manufactured article, that satisfies the Secretary that the importer of the article has undertaken reasonable steps to ensure, to the extent practicable, that the article is not a product of child labor.

(2) WRITTEN EVIDENCE.—The documentation required by the Secretary under paragraph (1) shall include written evidence that the agreement setting forth the terms and conditions of the acquisition or provision of the imported article includes the condition that the article not be a product of child labor.

SEC. 6. PENALTIES.

(a) UNLAWFUL ACTS.—It is unlawful—

(1) during the effective identification period applicable to a foreign industry and its host country, to attempt to enter any manufactured article that is a product of that industry if the entry is prohibited under section 5(a)(1); or

(2) to violate any regulation prescribed under section 7.

(b) CIVIL PENALTY.—Any person who commits any unlawful act set forth in subsection (a) is liable for a civil penalty of not to exceed $25,000.

(c) CRIMINAL PENALTY.—In addition to being liable for a civil penalty under subsection (b), any person who intentionally commits any unlawful act set forth in subsection (a) is, upon conviction, liable for a fine of not less than $10,000 and not more than $35,000, or imprisonment for 1 year, or both.

(d) CONSTRUCTION.—The violations set forth in subsection (a) shall be treated as violations of the customs laws for purposes of applying the enforcement provisions of the Tariff Act of 1930, including—

(1) the search, seizure and forfeiture provisions;

(2) section 592 (relating to penalties for entry by fraud, gross negligence, or negligence); and

(3) section 619 (relating to compensation to informers).

SEC. 7. REGULATIONS.

The Secretary shall prescribe regulations that are necessary or appropriate to carry out this Act.

SEC. 8. DEFINITIONS.

(1) MANUFACTURED ARTICLES.—A MANUFACTURED ARTICLE SHALL BE TREATED AS BEING A PRODUCT OF CHILD LABOR IF THE ARTICLE—

(A) was fabricated, assembled, or processed, in whole or part;

(B) contains any part that was fabricated, assembled, or processed, in whole or in part; or

(C) was mined, quarried, pumped, or otherwise extracted, by one or more children who engaged in the fabrication, assembly, processing, or extraction—

(i) in exchange for remuneration (regardless to whom paid), subsistence, goods or services, or any combination of the foregoing;

(ii) under circumstances tantamount to involuntary servitude; or

(iii) under exposure to toxic substances or working conditions otherwise posing serious health hazards.

(2) CHILD.—The term "child" means an individual who has not attained the age of 15.

(3) EFFECTIVE IDENTIFICATION PERIOD.—The term "effective identification period" means, with respect to a foreign industry or country, the period that—

(A) begins on the date of that issue of the Federal Register in which the identification of the foreign industry or country is published under section 4(e)(1)(A); and

(B) terminates on the date of that issue on the Federal Register in which the revocation of the identification referred to in subparagraph (A) is published under section 4(e)(1)(B).

(4) ENTERED.—The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(5) FOREIGN INDUSTRY.—The term "foreign industry" includes any entity that produces a manufactured article in any possession or territory of a foreign country.

(6) HOST COUNTRY.—The term "host country" means any possession or territory of a foreign country that is administered separately for customs purposes and on which a foreign industry produces a manufactured article.

(7) MANUFACTURED ARTICLE.—The term "manufactured article" means any good that is fabricated, assembled, or processed. The term also includes any mineral resources (including any mineral fuel) that is entered in a crude state. Any mineral resource that at entry has been subjected to only washing, crushing, grinding, powdering, levigation, sifting, screening, or concentration by flotation, magnetic separation, or other mechanical or physical processes shall be treated as having been processed for the purposes of this Act.

(8) SECRETARY.—The term "Secretary", except for purposes of section 4, means the Secretary of the Treasury.

[From the Economic Times, Dec. 26, 1992]

STEPS TAKEN TO END CHILD LABOUR IN CARPET INDUSTRY

(By Sunil Raman)

A small but significant step towards ending child labour in the carpet industry has

been taken by some manufacturers and exporters in cooperation with foreign importers.

At a meeting here on Monday, it was decided to discuss the modalities for forming a working group to implement the labelling system for carpets not woven by children. The meeting was attended by the Association of Carpet Manufacturers Without Child Labour, a 50-member body, Obeetee, a major exporting firm, Indo-German Export Promotion Programme and South Asian Coordination Against Child Servitude.

Earlier, a draft proposal for the labelling system had been accepted at a meeting of these four organisations on December 3, which was also attended by representatives of the U.S. and German embassies.

According to the proposal, once a manufacturer or an exporter joins the scheme, he would be required to submit "a detailed and complete list" of his manufacturing units including the contractors or loom owners with whom he has business relations. The inspection would be carried out by trained inspectors appointed by independent regional or local NGOs, who have no stakes in the carpet trade.

A detailed inspection would then be carried out. A label with a graphic symbol and code numbers giving the name of the actual exporter, the loom owner, the individual loom (every loom is to be marked by a small tamper-proof number plate), and the specific carpet would be affixed on such carpets.

The right to use the label would be provided only to individual manufacturers/exporters, not to groups or association of entrepreneurs. Moreover, the right would be on an annual basis, renewable after regular inspections.

There is a proposal to register the label in Germany as well. It is reported that the U.S. embassy here has responded favourably to such a mechanism.

This development comes in the wake of a bill introduced in the U.S. Senate in August this year by Mr. Tom Harkin, to prohibit "the import of any product, made whole or in part, by children under the age of 15, who are employed in industry or mining."

The purpose of the Child Labour Deterrence Act of 1992 "is to curtail the employment of children under the age of 15 in the production of goods for export by: Eliminating the role of the United States in providing a market for foreign products made by under-age children; and encouraging other nations to join in a ban on a trade in such products."

The bill directs the U.S. secretary of labour to "compile and maintain a list of foreign industries and their respective host countries that use child labour in the production of exports. Once a foreign industry and its host country has been identified as utilising child labour, the secretary of the treasury is directed to prohibit the entry of any manufactured article from that foreign industry."

The bill is slated to be re-introduced in January and sources said the new U.S. administration would seriously consider the issue.

While India's exports of carpets to Germany showed a sharp fall because of the success of the campaign against using child labour, those to the U.S. increased from 15 to 40 percent.

The Indian carpet industry would be jeopardized if the U.S. Congress approves the bill. However, the development of an independent inspection and monitoring system would go a long way in helping the industry from facing any ban. The proposed labelling system is expected to come into force by March next and could become a precedent for other industries employing child labour.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 614. A bill to establish a commission on the commercial application of certain defense-related facilities, equipment, processes, and technologies; to the Committee on Armed Services.

WHITE SANDS MISSILE RANGE ACT

Mr. DOMENICI. Mr. President, I rise today to introduce a bill to create the Commission for the Study of Dual-Use Application of Facilities and Resources at White Sands Missile Range Act. With the end of the cold war, the demise of communism, and the resurgence of democratic principles across the world, the United States can now expand its attention and resources to economic growth and job creation in the American economy.

Last week, President Clinton outlined his goals for the technology portion of our defense conversion efforts, and the Secretary of Defense released a booklet produced by the Advanced Research Projects Agency [ARPA] titled, "Program Information Package for Defense Technology Conversion, Reinvestment, and Transition Assistance."

This booklet lists seven DOD laboratories from my State of New Mexico that have at least 25 percent of their in-house budget dedicated to RDT&E. Five of those laboratories are located at White Sands Missile Range. Only one other State ties with New Mexico for the number of DOD laboratories listed, at one specific location, that have 25 percent of their in-house budget dedicated to RDT&E activities—Maryland's Aberdeen Proving Group.

The March 15, 1993, edition of Defense News reports that the President's plan includes $4.7 billion in developing dual-use technologies with civilian and military applications over the next 5 years; a total of $255 million in fiscal year 1994. The best defense conversion program that can be devised has to start with growth of the American economy, and I commend the President for his efforts to focus on this issue.

Mr. President, the enormity of RDT&E efforts going on at White Sands Missile Range leads me to introduce this measure. This bill will assist the President by first determining exactly what resources at White Sands Missile Range have a dual-use application to private industry, and second by acting as a model for all Department of Defense high technology installations in determining both the method and the need for focusing specific DOD resources to specific private sector initiatives.

I might tell my friends in the Senate that White Sands is currently involved in some of this very work. For example, White Sands Missile Range's electromagnetic radiation effects facilities are being used to test air bags for Chrysler, Honda, and Nissan. This testing is to assure that the air bag system will not erroneously deploy due to spurious electromagnetic radiation. White Sands Missile Range's shock and vibration facilities are being used to test shipping crates for Phillips Electronics. Phillips Electronics was experiencing a large failure rate in their electrical transformers after shipping. White Sands Missile Range is subjecting the crates to a series of vibration and shock tests. Finally, White Sands Missile Range's large temperature test facility is being used to test the heating and cooling system in General Electric's trailer-sized magnetic resonance imaging system. I believe that these examples are just the tip of the iceberg of what can be accomplished, Mr. President.

The Department of Defense has spent over $2 billion in purchasing the land and equipment at White Sands Missile Range. RDT&E activities since 1981 have accounted for $4 billion—the President, and many in Congress like to talk about investment these days—well, Mr. President, these numbers add up to a great investment.

Unfortunately, despite the fact that defense spending is down in real terms by 29 percent in 1993 from the 1985 level, and despite the fact that President Clinton has suggested bringing that figure down to over 40 percent by 1997, the Department of Defense has not looked seriously at how its high technology resources can be utilized by the private sector to compensate for these new budget cuts, and more importantly, to help create growth and jobs in the American economy by utilizing existing DOD resources for private industry initiatives.

The bill I am introducing today will accomplish this by creating a Commission appointed by the Secretary of Defense. This Commission will use the White Sands Missile Range [WSMR] as a model for all high technology Department of Defense installations to evaluate their resources and the application of those resources within the private sector.

White Sands Missile Range is the largest, all overland, test range in the Department of Defense. It occupies 1,874,666 acres. The main range is approximately 37 miles wide and 100 miles long. With its unique combination of test ranges and facilities, instrumentation and equipment, laboratories and scientific personnel, WSMR supports a wide variety of research, development, test and evaluation [RDT&E] programs.

White Sands Proving Ground was established on July 9, 1945, to provide a remote testing site for the Hermes project, a program designed to further develop U.S. rocket technology. The nuclear age was soon ushered in with

the detonation of the first atomic device. This event occurred on White Sands Proving Ground at Trinity Site on July 16, 1945.

In 1952, the proving ground became one of 19 Department of Defense triservice national ranges. White Sands Proving Ground became WSMR in 1958, and in 1962, as part of a major Army reorganization, became one of the installations under the Test and Evaluation Command headquartered in Aberdeen Proving Ground, MD.

During the 1950's, 1960's, and 1970's, WSMR was the site of several major technological events which further shaped the course of this century. In addition to testing Army, Air Force, and Navy systems, WSMR began developing and testing droned and manned flight vehicles, testing propulsion, guidance and instrumentation systems and evaluating nuclear and meteorological effects. During the 1980's, WSMR carried on its tradition of excellence in RDT&E as exemplified by the test and evaluation of the multiple launch rocket system and Patriot, the Navy's Standard Missile, and the landing of the space shuttle *Columbia* at WSMR on March 30, 1982.

WSMR's mission is to provide and operate a national range to support RDT&E for the Army, Navy, Air Force, NASA, and other approved U.S. Government agencies and foreign governments. WSMR consists of a variety of test directorates, support directorates, and tenant organizations. The major test directorates are the Army Material Test and Evaluation Directorate, Nuclear Effects Directorate, Instrumentation Directorate, and the National Range Operations Directorate.

Mr. President, if the President of the United States has his way, we will be reducing our defense budget by over 40 percent between 1985 and 1997. I believe that the Department of Defense should evaluate the potential for use of their high technology resources and facilities within the private sector. The bill that I am introducing will use White Sands Missile Range as a model for this process.

The Commission will report back to the Congress its findings and recommendations within 1 year. I believe this legislation is necessary, and I ask my colleagues to support it.

By Mr. McCAIN:

S. 615. A bill to enable Indian tribal governments to provide facilities necessary to carry out essential governmental functions; to the Committee on Indian Affairs.

INDIAN TRIBAL GOVERNMENT LEASE AGREEMENT ACT

• Mr. McCAIN. Mr. President, I rise today to introduce the Indian Tribal Government Lease Agreement Act. This legislation is intended to promote discussion on alternative methods of financing new school construction. The bill offers one approach that Indian tribes and the Federal Government can take to significantly reduce the large backlog of new construction and rehabilitation of Indian school facilities.

Before discussing the legislation, I want to publicly thank Chairman BYRD and Senator NICKLES for everything the Interior Appropriations Subcommittee is doing under current budgetary conditions to continue annual appropriations for the construction and rehabilitation of Indian schools. This legislation is not intended to diminish their efforts. The purpose of this legislation is to stimulate discussion on alternative financing methods by which the Federal Government and Indian tribes can utilize current appropriations in a manner that will facilitate the new construction and rehabilitation of Indian schools at a quicker pace.

Last year the Committee on Indian Affairs received a firsthand report on the serious conditions existing at Indian school facilities funded by the Federal Government. The Inspector General of the Department of the Interior testified that there were:

> Life-threatening safety deficiencies, code violations, and hazardous health conditions existing in Bureau (of Indian Affairs) schools, dormitories, and other buildings. As a result, thousands of students, teachers, and other government and contract employees currently live and work in buildings that Federal inspectors and Bureau safety officers have classified as unsafe and unsanitary.

The Inspector General went on to state:

> These (Inspector General) reports reveal and describe a deplorable state of Indian education facilities which are often structurally unsound, in disrepair and poorly maintained. Further the degraded condition of Bureau of Indian Affairs classrooms, dormitories, study and recreational areas, and other related facilities, has undoubtedly had a profound adverse effect on the quality of education being provided to Indian children.

Mr. President, how many of us would be willing to send our children to schools that threatened their health and safety? How many of us would be satisfied with having to tell our constituents that the new school they need now will not be built until the end of the decade or longer, even though the existing school facility is in a terrible state of disrepair, or has been officially condemned? How ironic that our advice to the young to "stay in school" is more likely to remind Indian children of the Federal Government's neglect of Indian education than to serve as a source of inspiration to be the best they can be.

While additional appropriations for facilities construction would be a welcome start, it is important to remember that there is a backlog of new construction and rehabilitation for Indian schools and associated facilities that approaches $550 million. Budgetary and fiscal limitations make it unlikely the sufficient funds will be available to reduce this backlog significantly over the next 10 years. Thus, we must explore every reasonable alternative to expediting new school construction. The health, safety and educational well-being of Indian children demand that we do no less.

One way to finance the construction of new schools within the BIA-funded school system would be to have tribes issue bonds, finance the construction of the schools from these bonds, and then have the Federal Government lease the school facility back from the tribe.

Authority exists under the Indian Tribal Governmental Tax Status Act of 1982 for Indian tribes to issue tax exempt bonds for normal and customary "essential governmental purposes"—which would certainly include construction of new schools.

Little use of this authority has been made for governmental purposes because most of these governmental functions are funded by the BIA, IHS, or other Federal agencies at present and tribes have not had to raise funds from their own sources. The Federal Government finances the construction on a pay-as-you-go basis, and does not issue special bonds for such construction purposes.

The pressures of Federal deficits and other demands on the Federal budget have tightly limited the availability of funds for new school construction. This has resulted in a large backlog of schools that need to be replaced, major repairs undertaken or entirely new schools built.

The exact repayment schedule can vary from bond to bond and does not necessarily have to involve a set of exactly equal total payments per year, as characterizes a home mortgage. It is possible to tailor a set of principle payments to meet the specific needs of the bond issuer and purchasers. Nevertheless, as an approximation, a set of equal interest and amortization payments per year is a reasonable estimate of the future funding requirements.

The table below shows what the annual requirements would be for the payment of interest and amortization on a bond issue of $10,000,000. Annual funding requirements for larger or smaller bonds can easily be calculated by applying the appropriate multiple of $10,000,000. For example, a bond of $50,000,000 would require 5 times the annual interest and amortization payments of a bond of $10,000,000.

ANNUAL APPROPRIATIONS REQUIRED TO SERVICE A $10,000,000 BOND

Term of bond	Annual appropriation required (in thousands)			
	5 percent	6 percent	7 percent	8 percent
10 years	$1,295	$1,359	$1,424	$1,490
15 years	963	1,030	1,098	1,168
20 years	802	872	944	1,019
25 years	710	782	858	937
30 years	651	726	806	888

As shown in the table, the payments on a $10,000,000 bond depend on the repayment period and the interest rate. Assuming a 20-year repayment period and 6 percent interest—in the ballpark for current tax exempt financing, the payments on a bond of $10,000,000 would be $872,000 per year. It would be possible to fund $50 million in new school construction by appropriating $4.4 million per year for 20 years.

New school construction funding of $500 million could be undertaken by appropriating $44.0 million per year for 20 years. By way of comparison, the annual appropriation levels for new school construction in FY 92 and FY 93, respectively, was $32.495 million and $34.702 million. Subtracting out the funding set-aside for specific construction projects added by the Congress, the Federal Government will have around $57 million remaining to build approximately 6 schools on the priority list.

In order for tribes to successfully issue tax exempt financing, it might be necessary for them to have a lease agreement with the Federal Government signed in advance for the school facility to be constructed. This would provide the necessary assurance to bond purchasers that the payments on the bonds would be secure. The lease agreement would presumably be for the term of the bond repayment.

Mechanically, the issuance of a bond is not complicated; it is much like obtaining a home mortgage. A decision would have to be made on the term of the bond. Current credit market conditions would then largely determine the interest rate at which the bond could be sold—in the range of 5 to 7 percent at present for tax-exempt bonds, depending on the riskiness of the bond and other factors.

The tribe would have to find an investment banker who would be responsible for doing much of the legal and other paperwork. The investment banker would find the purchasers for the bond. Once the bond was sold, the tribe would have to pay bond attorneys, investment bankers and other fees and would receive the bond revenues to be used for the purpose of financing the school construction.

States and localities all across the United States use these procedures for the financing of roads, hospitals, schools and other public facilities on a routine basis. There is a large network of investment bankers, lawyers and other financial experts available who serve this market—although it has been little used by tribes to date.

Mr. President, it is my hope that all interested parties will carefully examine this approach. I have deliberately chosen to draft this legislation narrowly so as to focus the discussion on the method rather than how broadly it might be applied. The range of projects that could theoretically be funded under this proposal is not as important as finding a consensus approach. Moreover, I want to emphasize to Federal reviewers that the schools proposed to be funded under this legislation are limited to those schools that are already on the Education Facilities Construction Priority Lists of FY 1993 and as thereafter modified. If we are prepared to commit a certain amount of funding each year for new school construction, then it is my hope that we would also be willing to consider alternative methods to utilize those funds in the most prudent manner, bearing in mind that the cost of building and repairing schools that are lower on the priority list will continue to rise under the current method. In some cases, the cost of building a new school is less than the cost of repairing the current facility.

To those in the new administration who are wondering what steps they can take to stimulate Indian reservation economies, let me encourage them to consider the multiplier effects that would occur for reservation and rural economies as a result of accelerating the construction of new schools.

To those in the new administration who are wondering what steps they can take to improve the quality of Indian education, let me encourage them to consider the positive effects that would occur from creating a healthy and safe learning environment for Indian children.

I look forward to receiving the comments of all interested parties on this legislation and to reviewing other alternatives. It is my hope that all interested parties will keep in mind that the ultimate goal of this effort is much more important than simply supplying the necessary bricks and mortar; it is about providing Indian children with the opportunity to learn.

Mr. President, I ask unanimous consent that a copy of the bill be inserted in the RECORD immediately following my statement.

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

S. 615

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 "Indian Tribal Government Lease Agreement Act".

SEC. 2. DEFINITIONS.

As used in this Act:

(1) The term "Indian tribal government" means the governing body of any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Fund" means the Fund established by section 4.

(4) The term "account" means an account within the Fund established on behalf of an Indian tribal government in connection with a lease agreement entered into by that tribal government pursuant to section 3.

(5) The term "essential governmental function" means any function carried out by, or on behalf of, an Indian tribal government involving the planning, design, construction, repair, improvement, and expansion of education facilities.

SEC. 3. SELF-DETERMINATION AGREEMENTS.

(a) PURPOSE.—The Secretary is authorized, under section 102 of the Indian Self-Determination and Education Assistance Act, to enter into lease agreements with Indian tribal governments pursuant to which the Secretary agrees to lease, for a period of years, facilities constructed by any such tribal government for use in carrying out an essential governmental function.

(b) TERMS.—Any lease agreement shall include such terms and conditions as the Secretary determines necessary or appropriate to assure that the proceeds from bonds, sold by an Indian tribal government for the purpose of constructing a facility to be covered by such lease agreement, will be used only in the manner, and for the purposes, approved by the Secretary.

(c) INDIAN PRIORITY LIST.—In determining which Indian tribal government may enter into a lease agreement under this Act, the Secretary shall follow the Education Facilities Construction Priority list as of fiscal year 1993 or as thereafter modified.

SEC. 4. THE TRIBAL GOVERNMENT LEASE FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States the Tribal Government Lease Fund. Each Indian tribal government having a lease agreement under this Act shall have an account in such Fund.

(b) CONTENTS OF FUND.—There shall be deposited in the appropriate accounts within the Fund the following:

(1) Moneys appropriated to the accounts for payments in connection with lease agreements under this Act.

(2) Income and gains realized by the account from any investment of excess funds, and the obligations or securities comprising such investments within such account.

(3) Any other receipts of such account.

(c) EXCESS FUNDS INVESTMENT.—If the Secretary of the Interior determines that the amount of money in any such account exceeds the amount required for current needs, the Secretary of the Treasury, at the request of the Secretary of the Interior, may invest such amounts as the Secretary of the Treasury deems advisable in obligations of, or obligations guaranteed by, the Government of the United States, or in such other governmental or agency obligations or other securities of the United States as he deems appropriate.

(d) DEPOSITORY.—The Secretary of the Treasury may deposit moneys of the Fund with any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Secretary of the Treasury deems appropriate.

(e) USES.—Moneys in each account within the Fund shall be administered by the Secretary in order—

(1) to effect the payment, when due, of the principal of, and any interest on, bonds issued by the tribal government having such account in connection with a facility covered by a lease agreement under this Act;

(2) to redeem such bonds; and

(3) to make payment of all expenses incurred by the Indian tribal government in carrying out its duties with respect to its account within the Fund.

SEC. 5. AUTHORIZATION OF APPROPRIATION TO THE FUND; APPROPRIATIONS.

Moneys in such Fund, together with all moneys hereafter deposited in such Fund, are hereby appropriated for the purposes of this Act and shall remain available until expended. For fiscal year 1994, and each fiscal year thereafter, there are authorized to be appropriated, to each of the appropriate accounts in the Fund, such sums as may be necessary to make payments under lease agreements under this Act, and to carry out the other provisions of this Act.

SEC. 6. FULL FAITH AND CREDIT.

Any bond issued by an Indian tribal government after the date of the enactment of this Act the proceeds of which are used for the construction of a facility covered by a lease agreement under this Act shall constitute general obligations of the United States of America backed by the full faith and credit of the United States of America.

SEC. 7. AUDIT OF TRANSACTIONS.

(a) IN GENERAL.—The Comptroller General of the United States is authorized to audit the operations of each of the accounts within the Fund in accordance with such rules and regulations as he may prescribe. Any such audit shall be conducted at the place or places where accounts of the Fund are normally kept. The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files and other papers, things, or property belonging to, or in use by or in connection with the Fund, or the Indian tribal government which pertain to the financial transactions of the Fund and which are necessary to facilitate an audit. Such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, things, and property shall remain in the possession and custody of the Fund, or the Indian tribal government, as the case may be.

(b) ACCESS TO INFORMATION.—The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by any person or entity which has entered into a financial transaction with or involving the Fund, or the Indian tribal government, under this Act, to the extent deemed necessary by the Comptroller General to facilitate any audit of financial transactions pursuant to subsection (a) of this section. Such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such property of such person or entity shall, to the extent practicable, remain in the possession and custody of such person or entity.

(c) REPORT.—The Comptroller General shall make a report of each such audit to the Congress. Such report shall contain all comments and information which the Comptroller General deems necessary to inform Congress of the financial operations and conditions of the Fund and any recommendations which he deems advisable. Such report shall indicate specifically and describe in detail any program, expenditure, or other financial transaction or undertaking observed in the course of such audit which the Comptroller General deems to have been carried on or made without lawful authority or which is inconsistent with the purposes and provisions of this Act. A copy of such report shall be furnished to the President, the Secretary and the appropriate Indian tribal governments under this Act at the time it is submitted to the Congress.•

By Mr. ROCKEFELLER (for himself, Mr. MURKOWSKI, Mr. DECONCINI, Mr. MITCHELL, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. CAMPBELL, Mr. THURMOND, Mr. SIMPSON, Mr. SPECTER, and Mr. JEFFORDS):

S. 616. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1993

• Mr. ROCKEFELLER. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am introducing today S. 616, the proposed Veterans Compensation Cost-of-Living Adjustment Act of 1993. I am enormously pleased that the entire membership of the Committee on Veterans' Affairs has joined me as original cosponsors of this important measure—including ranking Republican member FRANK MURKOWSKI and Senators DENNIS DECONCINI, GEORGE MITCHELL, BOB GRAHAM, DANIEL AKAKA, TOM DASCHLE, BEN NIGHTHORSE CAMPBELL, STROM THURMOND, ALAN SIMPSON, ARLEN SPECTER, and JIM JEFFORDS.

Mr. President, this bill would increase, effective December 1, 1993, the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation, or DIC, paid to the survivors of certain service-disabled veterans. The rates would increase by the same percentage as the increase in Social Security and VA pension benefits. The compensation COLA would become effective on the same date that the increase for those benefits takes effect.

Mr. President, we have a fundamental obligation to address the needs of the 2.2 million service-disabled veterans and 345,000 survivors who depend on these compensation programs. The needs of these veterans and survivors are uniquely related to veterans' enormous sacrifices on behalf of our great Nation. Addressing these needs is a top priority of mine as chairman of the Veterans' Affairs Committee.

I represent a State where military service is held in the highest esteem. Ever since I entered public life, to serve the people of West Virginia, I have worked very closely with our veterans and their families. The compensation payments that this bill would adjust affect the everyday lives of over 2½ million veterans and veterans' survivors. It is our responsibility to continue to provide COLA's in compensation and DIC benefits in order to ensure that the value of these top-priority, service-connected VA benefits is not eroded by inflation. Most recently, on October 24, 1992, Congress enacted Public Law 102-510, providing a 3-percent increase in these same benefits, effective December 1, 1992.

The Congressional Budget Office estimates that the December 1, 1993 Social Security and VA pension COLA will be 3 percent. This is a preliminary estimate, but I expect the actual increase will be close to this estimate. The Congressional Budget Office estimates that a 3-percent COLA would cost $325 million in budget authority and $324 million in outlays over current law.

Mr. President, I am proud that Congress has provided annual increases in VA compensation rates every fiscal year since 1976 and I urge all of my colleagues to continue to support these necessary increases.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 616

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 "Veterans' Compensation Cost-of-Living Adjustment Act of 1993".

SEC. 2. DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES.

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1993, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2)(A) The Secretary shall increase each of the rates and limitations provided for in section 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased pursuant to section 2 of the Veterans' Compensation Cost-of-Living Adjustment Act of 1992 (Public Law 102-510; 106 Stat. 3318; 38 U.S.C. 101 note). The increase shall be made in such rates and limitations as in effect on November 30, 1993, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1993, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(B) In the computation of increased rates and limitations pursuant to subparagraph (A), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (2 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 214(i)(2)(D) of the Social Security Act 42

U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1993, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2)(A) as increased under this section.●

By Mr. SIMON (for himself, Mr. MOYNIHAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. BRYAN, Mr. REID, Mr. SHELBY, Mr. LIEBERMAN, and Mr. ROBB):

S. 617. A bill to authorize research into the desalinization of water and water reuse and to authorize a program for States, cities, or any qualifying agency which desires to own and operate a desalinization of water reuse facility to develop such facilities; to the Committee on Environment and Public Works.

DESALINIZATION RESEARCH AND DEVELOPMENT ACT OF 1993

● Mr. SIMON. Mr. President, today I rise to introduce the Desalinization Research and Development Act of 1993. I am pleased to have bipartisan cosponsors from diverse regions of the country to join me in introducing this legislation. Cosponsors of this legislation include Senators MOYNIHAN, BRADLEY, JEFFORDS, BRYAN, REID, SHELBY, LIEBERMAN, and ROBB.

This bill is identical to legislation that passed the Senate unanimously during the summer of 1992. The purpose of my bill is to restart Federal research and development into desalinization—the process of removing salt or biological impurities from water in order to make it usable for drinking or irrigation.

Desalinization technologies have become more well-known as a result of water shortages in California and disputes over water in other parts of the country and the world. However, many may be surprised to learn that there are 3,500 desalinization plants in 105 countries throughout the world and in 46 States here in the United States. The main issue that still arises with regard to desalinization is its cost. Until more cost-effective technologies can be developed, more widespread use of desalinization technologies will be precluded.

Water shortages cause problems for economic development in areas as diverse as Africa, the Middle East, and Dothan, AL. During trips to the Middle East, I have heard Israeli Prime Ministers and Egyptian Presidents talk more about water than about oil. Many poverty-stricken African nations might be able to grow food to feed their people if they could somehow convert ocean water for irrigation. And in Dothan, AL, business people worry about access to the Chattahoochee River. Examples of disputes over access to water will only continue to grow in the years ahead.

Substantial Federal resources were committed to research and development of desalinization technology in the 1950's and 1960's. According to a report by the Office of Technology Assessment, the United States was generally considered to be at the forefront of desalinization technology throughout the 1960's and into the 1970's. Once governmental support ended, however, Japanese and European companies—many of which were, and still are, indirectly supported by their governments—began getting contracts that previously would have been awarded to American firms. In the face of growing domestic water shortages and strategic international concerns, the Federal Government should renew its commitment to developing low-cost desalinization technologies that can enable U.S. firms to regain their competitive edge in this field.

My legislation has two main parts. First, during Phase I, my bill authorizes the Departments of Interior and Army to conduct a basic research and development program designed to promote more cost-efficient desalinization technologies. During Phase II, demonstration projects will be built to test the new technologies developed during Phase I. The authorization is phased in over 5 years, which is critical if we hope to make any real progress in this area. Finally, my legislation calls upon the Agency for International Development to host a conference at which countries currently using, or hoping to use, desalinization technologies would meet.

Less than 1 percent of the Earth's water can be used directly for human consumption, or agricultural and industrial uses. The world will experience ever increasing needs for fresh water in the decades ahead. It is imperative that we begin to make investments in environmental technologies like desalinization now.

I urge my colleagues to take a close look at this legislation and the positive implications it could have for their States. The Senate passed this legislation unanimously last year. I hope we can do that again this year, and get this legislation enacted into law.●

By Mr. RIEGLE (for himself, Mr. KENNEDY, Mr. SIMON, Mr. DECONCINI, Mr. HATFIELD, Mr. GLENN, Mr. ROBB, and Mr. LEVIN):

S. 618. A bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes; to the Committee on the Judiciary.

SPOUSAL AND CHILDREN IMMIGRATION ACT OF 1993

● Mr. RIEGLE. Mr. President, I rise to introduce legislation which would permit spouses and children of permanent residents to receive visitor and student visas. This bill is designed to correct an inequity which has kept foreign individuals from visiting their spouses or parents in the United States.

Under the Immigration Act of 1990, Congress increased the number of visas for spouses and children of permanent residents. In recent years, however, a 2-to 4-year backlog in the processing of immigrant visa petitions has caused lengthy separations for many families. While applicant spouses and children have patiently waited for the day when they could legally enter the United States as immigrants, they have remained in their home countries, apart from their loved ones.

In an effort to see family members in the United States during the multiyear waiting period, many spouses and children apply for visitor or student visas. Under current State Department policy, however, U.S. consular officials routinely reject these temporary visa requests. Because the spouses and children conveyed a desire to immigrate to this country in their permanent resident petitions, American consulates imply that they would stay indefinitely in the United States against the terms of their visitor or student visas. Following this policy, consular officers deny the visas, preventing immediate relatives of permanent residents of the United States from even seeing family members in this country.

The legislation that I am introducing today—containing the same language as S. 2385, which I sponsored in the 102d Congress—would remedy this situation. It would eliminate the implication that the existence of a petition for permanent residence implies that an applicant will not return to his or her home nation and would remain in the United States after the expiration of a temporary visa. This equitable solution simply grants to immigrant family members the same opportunity to visit the United States as all others desiring to come here as visitors or students.

This legislation anticipates the possibility that some may violate the terms of their visas by overstaying the period which the visa provides. It penalizes spouses or children of permanent residents who overstay their visas by allowing the Secretary of State to delay their permanent visa petitions for 1 year if visa durations are violated.

Mr. President, this legislation has received widespread support in Congress. In the Senate, the chairman of the Judiciary Subcommittee on Immigration and Refugee Affairs, Senator KENNEDY, is a cosponsor of the bill and has formally expressed his support for the measure on the Senate floor. Additionally, the bill has garnered several bipartisan cosponsors. In the House of Representatives, Chairman ROMANO L. MAZZOLI, and four other members of the Judiciary Subcommittee on International Law, Immigration, and Refugees, wrote to the State Department

urging it to take a similar action. "We strongly urge you," wrote the subcommittee members "to consider issuing a directive instructing consular officers to take special cognizance of the fact that the existence of an immigrant petition on file need not exclude favorable consideration of an application for a visitors visa coming from the spouse or child of a permanent resident." (April 3, 1992)

During the Presidential campaign, America heard much about the importance of the intact nuclear family. By joining me in remedying this unfortunate situation, we can afford families separated by an unfortunate administrative delay a better chance to remain together as a family unit. I urge my colleagues to support and cosponsor this legislation.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

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

S. 618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADMISSION OF CERTAIN "B" AND "F" VISA NONIMMIGRANTS WHO ARE SPOUSES OR CHILDREN OF UNITED STATES PERMANENT RESIDENT ALIENS.

Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by adding at the end thereof the following new subsection:

"(o)(1) Notwithstanding any other provision of law, no alien—

"(A) who is the spouse or child of an alien lawfully admitted for permanent residence to the United States,

"(B) who seeks admission to the United States for purposes of visiting the permanent resident spouse or parent or for studying in the United States, and

"(C) who is otherwise qualified,

may be denied issuance of a visa, or may be denied admission to the United States, as a nonimmigrant alien described in section 101(a)(15)(B) who is coming to the United States temporarily for pleasure or as a nonimmigrant alien described in section 101(a)(15)(F).

"(2) Whenever an alien described in paragraph (1) seeks admission to the United States as a nonimmigrant alien described in section 101(a)(15)(B) who is coming temporarily for pleasure or as a nonimmigrant alien described in section 101(a)(15)(F), the fact that a petition has been filed on the alien's behalf for classification of the alien as an alien lawfully admitted for permanent residence shall not constitute evidence of the alien's intention to abandon his or her foreign residence.

"(3) Notwithstanding any other provision of law, any alien—

"(A) who is issued a nonimmigrant visa under paragraph (1),

"(B) who was admitted to the United States, and

"(C) who remains in the United States longer than the period authorized for such nonimmigrant status,

shall be ineligible to receive an immigrant visa for a period of up to one year after the alien's priority date has been reached, as the Secretary of State may determine.".●

By Mr. RIEGLE:

S. 619. A bill to amend the Social Security Act to provide improved services to beneficiaries under such act, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY BILL OF RIGHTS ACT OF 1993

● Mr. RIEGLE. Mr. President, at the end of the last Congress I introduced S. 3377, the Social Security bill of rights. That legislation was designed to improve the delivery of services to people who receive benefits under the Social Security Act. It guaranteed the millions of people who rely on Social Security a system that is convenient to use, prompt in its delivery of service and responsive to their concerns. Today I am reintroducing this bill.

As was the case with S. 3377, this new legislation seeks to establish a minimum level of service quality in the system and to remove some of the barriers people have encountered when enrolling in Social Security programs. The legislation also makes other benefit programs—outside of Social Security, yet crucial for many Social Security beneficiaries—more available to people who need them. Let me briefly describe some of the rights I believe beneficiaries should have.

THE RIGHT TO A CONVENIENT SYSTEM

Many Social Security beneficiaries are also eligible for a number of different benefit programs, either under the Social Security Act or programs established under other laws. Unfortunately, the process for applying for these benefits is confusing and often difficult. The problem is further exacerbated by the fact that different agencies handle different benefit applications.

Let me give my colleagues an example. A senior citizen, who receives Social Security retirement benefits, might also qualify for the Supplemental Security Income [SSI] Program if they meet the necessary requirements. This same individual might also be eligible for the Low Income Home Energy Assistance Program [LIHEAP], or for health care benefits under Medicaid, or for Food Stamps. This senior citizen can apply for SSI and Food Stamps at a local Social Security office. But LIHEAP applications in most States are available at either a community action agency or a local social services office—not at the Social Security Office. In order to get a Medicaid application, this person would have to go to a State welfare office.

The current system forces people to go several places to obtain benefits. This is inconvenient, confusing, and ultimately discourages many people from applying for benefits that they need. In many areas of the country, people do not have access to adequate public transportation—they have difficulty getting to just one office, much less several offices.

The Social Security bill of rights establishes a one-stop shopping system. Social Security field offices would distribute and accept applications for the Medicaid and LIHEAP programs. To facilitate the system, SSA will establish a training program for its workers so that they may provide accurate information and advice on completing the forms. The actual processing of the application will continue to be handled by the agencies responsible for it under current law. These agencies will also continue to accept applications directly.

This bill also contains provisions to improve telephone access to local Social Security field offices. Many of my colleagues will recall that in October 1989, the Social Security Administration [SSA] began diverting telephone calls made to local Social Security field offices to a national 800 number. The number of telephone lines to the local office were cut and local office phone numbers were removed from telephone directories. Problems plagued the 800 number system. People got busy signals when they called and, once given the chance to talk to a real person, often received incorrect and misleading information.

In the Ombibus Budget Reconciliation Act [OBRA] of 1990, the Congress required SSA to restore the public's telephone access to local offices at the level generally available on September 30, 1989, and to relist the numbers of the affected offices in local telephone directories. This mandate applied to 834 offices. SSA relisted the office telephone numbers in the directories, but refused to restore many of the phone lines. As a result, local Social Security offices targeted by OBRA 1990 have 30 percent fewer general inquiry lines than they had in place on September 30, 1989.

The General Accounting Office found that busy signal rates averaged 52.5 percent in those offices where public inquiry lines were not replaced, while the busy signal rate in those offices where the lines were maintained was 43.2 percent. Both of these busy signal rates are too high, but it is important to note that restoring the telephone lines at local offices does improve the service SSA provides to beneficiaries. The provision in this bill would require SSA to restore the number of lines to field offices to the September 30, 1989, level

THE RIGHT TO OUTREACH SERVICES

Many homebound senior citizens are eligible for programs like Food Stamps, LIHEAP, and Medicaid. Unfortunately, they do not have the ability to get to a local Social Security office or a local welfare office to find out about, and apply for these benefit programs. That is why the Social Security bill of rights would create an outreach

program for homebound seniors. SSA would work with local governments and social service agencies such as Area Agencies for the Aging, local mental health systems, charity groups, and cultural organizations, to identify who these homebound seniors are. SSA personnel will then visit these seniors to explain to them what benefit programs may be helpful to them and to help them apply for benefits.

PROTECTION FROM FRAUD AND ABUSE

Mr. President, in 1988 Congress enacted a law to prevent the misuse of symbols and emblems of the Social Security Administration and the Health Care Financing Administration [HCFA]. The purpose of the 1988 provision was to prohibit organizations from conveying the false impression that their materials and their mailings were endorsed by SSA or HCFA. The provisions in my bill builds upon this framework. It extends the law's coverage to the emblems of the Supplemental Security Income and Medicaid Programs and it prevents the unauthorized duplication of SSA forms and materials. Any penalties collected from the misuse of SSA's emblems and symbols must be deposited into the old-age and survivors insurance trust fund. A provision similar to this one was included in the conference report of H.R. 11, the Revenue Act of 1992.

The Social Security bill of rights also addresses another serious problem facing senior citizens. Unscrupulous organizations take advantage of the elderly by the use of deception and scare tactics. I have received many calls and letters from seniors who have received mailings that suggest that the Social Security trust funds are out of money. Just imagine the horror and anxiety that a senior citizen must go through when they hear that Social Security—the sole source of income for many—is bankrupt.

Clearly there is a need to educate beneficiaries about the status of the Social Security trust funds. This legislation would require SSA to provide all beneficiaries of the old-age and survivors insurance trust fund with information on its financial status, a description of how it is financed and a description of all services provided to beneficiaries free of charge. This information will be sent to all beneficiaries in the annual cost-of-living adjustment notice. We must let beneficiaries know that they need not worry about the financial status of the trust funds.

THE RIGHT TO UNDERSTANDABLE INFORMATION

Mr. President, according to an American Association of Retired Persons report, illiteracy and reading comprehension problems pose a significant barrier to getting benefits for older persons who do not speak English. Information about benefit programs as well as current outreach efforts are primarily aimed at the English-speaking population. Senior advocates in several States have noted a shortage of bilingual personnel in local Social Security offices despite large non-English-speaking populations in that area. This situation discourages people from getting benefits from which they qualify.

My legislation requires Social Security offices to provide materials in other languages where a significant number of people in the area served by the office do not speak English. The level of bilingual services required in the legislation is the same one that exists under the Food Stamp Program. This legislation would extend this requirement to additional Social Security Act programs. It is my hope that all Social Security offices will have bilingual personnel and applications on the premises to serve those people who do not use English as their first language within 180 days of enactment of this legislation.

THE RIGHT TO WORK

Mr. President, people who receive Social Security disability insurance benefits [SSDI] want to work. One man told me that he actually wants to pay taxes—think about it, someone who yearns to file an IRS 1040 form. But this gentleman, like many disabled people on SSDI, chose not to work because under the SSDI Program he could lose his medical benefits if he earned more than $500 a month.

The Social Security bill of rights creates a right to work by extending the work incentives provisions of the Supplemental Security Income [SSI] Program of the SSDI Program. Experience with this provision of SSI has shown that, for most disabled people, continued access to Medicaid health insurance coverage is the most important factor in their successful return to work. This program gives SSI beneficiaries the confidence that attempting to work will not disqualify them for benefits in the future should that work attempt fail. People on SSDI should have the same protection.

This provision is particularly timely now that the Americans with Disabilities Act [ADA] is in full effect. This landmark legislation guarantees that a person with a disability will not be discriminated against in employment and that they will have access to public places, including the workplace. But without adequate incentives to seek work, the promise and the dream of the ADA will go unfulfilled for millions.

ELIMINATION OF THE ONE-THIRD REDUCTION RULE

The Supplemental Security Income [SSI] Program protects millions of blind, aged, and disabled people from destitution by giving them the means to live independent lives. Last year, SSA completed the SSI modernization project, a comprehensive review of the SSI Program. The project convened a panel of experts to assess the SSI Program and make recommendations for improvements.

One of the key goals identified by the modernization project is included in this legislation—the repeal of the one-third reduction rule. The regular monthly SSI Federal benefit standard for 1993 is $434 for an individual and $652 for a couple—this translates into $5,208 and $7,824 per year, respectively. The Federal poverty level is $6,970 for individuals and $9,430 for couples. SSI recipients are living below the poverty level—and remember, these are low-income blind, aged, and disabled people—this Nation's most vulnerable citizens.

Under current law, SSI recipients face a penalty for living in the home of another person, whether that person is a friend or family member. Their benefits are subject to a one-third reduction—33 percent—for in-kind support and maintenance. In-kind support is not cash income, but is actual food, clothing, or shelter that is given to the recipient. SSA does not determine the actual value of any support received, it simply assumes that the total amount is one-third.

The modernization project's panel of experts identified several problems with the so-called one-third reduction rule. First, it pushes people who are already living below the poverty level even deeper into poverty. Second, the rule is demeaning. When a person applies for SSI, or when their eligibility is redetermined, they have to answer a battery of personal questions about their living arrangements—questions about household operating expenses and any help the household gets to meet expenses. One recipient testified before the experts that she was afraid to accept gifts from caregivers for fear that it would place her in violation of the rule. Statements are also obtained from other household members who are not receiving SSI benefits. This intrusion is unwarranted.

The one-third reduction rule is also a disincentive to families helping each other. Informal caregiving from friends and relatives provides valuable assistance to SSI recipients—particularly for the elderly. The rule only places a greater financial burden on the families of these recipients. What's more, the rule encourages moving the recipient out of the home and away from the people who can give them the greatest support. This occurs because SSI recipients who live in public housing are not subject to the rule, but those whose family members help them with housing costs receive a reduced benefit.

Finally, the one-third reduction rule poses administrative problems for SSA. The modernization panel heard testimony from field office employees who reported that the information gathering and decisionmaking process for determining in-kind support is highly subjective and is one of the most time-consuming and complex tasks they perform. Even the most experienced employees have trouble with it.

Mr. President, my legislation will eliminate the one-third reduction rule in order to ease the burden that the present rule places on the families of beneficiaries and the people who administer the program.

DEMONSTRATIONS PROJECTS TO IMPROVE SERVICE

There are two demonstration projects in this bill that I believe would improve the disability system. The first would eliminate, on an experimental basis, the reconsideration level in the disability determination appeals process for SSI and the Social Security Disability Insurance [SSDI] Programs. The disability determination system is plagued by a huge backlog causing lengthy delays in getting people benefits. Under the current system, State agencies are responsible for determining whether a person can qualify for benefits. If an individual's initial application is denied, they may file for a reconsideration of the ruling. The reconsideration is performed by the same State agency that rendered the initial denial of benefits. Very few of these initial denials are overturned in reconsideration.

Under my demonstration project, the States will no longer have to conduct the reconsideration, freeing up State personnel to conduct initial reviews. Instead of going to reconsideration, denied cases will proceed directly to the hearing level. It is my hope that this will result in a decrease in the backlog of cases at State disability determination services.

The second demonstration project would explore changing the orientation of the current SSDI Program from an early retirement system for people too disabled to continue working to a system designed to meet the needs of disabled workers. Under the current system, an individual applying for disability benefits is only evaluated from the narrow perspective of establishing the existence of a medical disability. An applicant has an incentive to heighten the severity of the disabling conditions while the administrators have an incentive to minimize existing maladies. Under current practice, a very complex determination is made with regard to the severity and duration of the disabling condition, and then a decision is made regarding whether a benefit is either awarded or denied.

The demonstration project I am proposing would alter the incentives contained in the current program by integrating a vocational rehabilitation evaluation into the initial and ongoing determination process. Prospective beneficiaries would be assessed based upon their rehabilitation potential as well as their disability.

Mr. President, the Social Security bill of rights will result in better delivery of services and benefits to millions. People who have low incomes; people with disabilities; the elderly—these people have a right to government services that respect their individual needs. This legislation would make Social Security a program that Americans can be proud of.•

By Mr. RIEGLE:

S. 620. A bill to amend the Social Security Act to overturn the new limitations placed on private enforceability of State plan requirements by Suter versus Artist, M., and for other purposes; to the Committee on Finance.

FOSTER CARE LEGISLATION

• Mr. RIEGLE. Mr. President, I rise today to introduce legislation to overturn the Supreme Court's opinion in the case of Suter versus Artist, M. In this case the Court ruled that individuals—mainly low-income children—did not have recourse through the Federal courts when States fail to implement State plan requirements under the title IV-E Foster Care Program of the Social Security Act. According to the Court, the only clear requirement of title IV-E was that States must have a written plan for implementing the program and that the plan must be approved by the Secretary of Health and Human Services. Under this ruling, individuals could only sue if a State did not have an approved plan.

The Suter ruling dealt a devastating blow to thousands of low-income children who potentially would be denied benefits and services that Congress intended them to receive. Although the underlying case in Suter involved the Foster Care Program, its reasoning could be applied broadly to other State plan programs such as Medicaid, Child Support Enforcement, and AFDC. Indeed, the Seventh Circuit Court of Appeals dismissed a suit in an AFDC case using the Suter reasoning. Other States have made attempts to use Suter as a basis for dismissing pending lawsuits in some of these other programs as well.

The legislation I am introducing today makes it clear that when the Congress places requirements in a statute, we intend for the States to follow them. If they fail in this, the Federal courts can order them to comply with the congressional mandate. For 25 years, this was the reading that the Supreme Court had given to our actions in Social Security Act State plan programs. The Suter decision represented a departure from this line of reasoning.

Mr. President, this legislation is the same as a provision included in the conference report to H.R. 11, the Revenue Act of 1992 at the end of the 102d Congress. The language in this bill was the product of lengthy negotiations between the two competing interests in the Suter debate; representatives of numerous social service advocacy groups on the one side and representatives of State governments—including the National Governor's Association—on the other. My bill seeks to restore these interests groups to the status they had prior to Suter without expanding the remedies available in Federal court.

Mr. President, I remember when the Federal courts—particularly the Supreme Court—were the last bastion of protection for the disadvantaged. The Suter decision changed that. It is time that we reopen the courthouse doors to these people. The people who need our social welfare programs must be able to protect their rights under the system. This bill presents us with an excellent opportunity to do that.

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. BIDEN, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 185

At the request of Mr. GLENN, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 185, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 211

At the request of Mr. MCCAIN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 211, a bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes.

S. 265

At the request of Mr. SHELBY, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 268

At the request of Mr. BAUCUS, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 268, a bill to extend the period during which the U.S. Trade Representative is required to identify trade liberalization priorities, and for other purposes.

S. 359

At the request of Mr. DECONCINI, the names of the Senator from Ohio [Mr. METZENBAUM], the Senator from Hawaii [Mr. AKAKA], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 359, a bill to require the Secretary of Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes.

S. 377

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 377, a bill to require a balanced Federal budget by fiscal year 2000 and each year thereafter, to protect Social Security, to provide for zero-based budgeting and decennial sunsetting, to impose spending caps on the growth of entitlements during fiscal years 1994 through 2000, and to enforce those requirements through a budget process involving the President and Congress and sequestration.

S. 384

At the request of Mr. D'AMATO, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 384, a bill to increase the availability of credit to small businesses by eliminating impediments to securitization and facilitating the development of a secondary market in small business loans, and for other purposes.

S. 415

At the request of Mr. BOREN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 415, a bill to require the Attorney General to establish 10 military-style boot camp prisons.

S. 439

At the request of Mr. COATS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 439, a bill to amend the Solid Waste Disposal Act to permit Governors to limit the disposal of out-of-State solid waste in their States, and for other purposes.

S. 455

At the request of Mr. HATFIELD, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 455, a bill to amend title 31, United States Code, to increase Federal payments to units of general local government for entitlement lands, and for other purposes.

S. 474

At the request of Mr. COATS, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 474, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 483

At the request of Mr. SHELBY, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 564

At the request of Mr. FORD, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 564, a bill to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information.

S. 578

At the request of Mr. SASSER, his name was added as a cosponsor of S. 578, a bill to protect the free exercise of religion.

At the request of Mr. KENNEDY, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 578, supra.

S. 587

At the request of Mr. ROTH, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 587, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 600

At the request of Mr. BOREN, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 600, a bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit.

SENATE JOINT RESOLUTION 32

At the request of Mr. DODD, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Joint Resolution 32, a joint resolution calling for the United States to support efforts of the United Nations to conclude an international agreement to establish an international criminal court.

SENATE JOINT RESOLUTION 39

At the request of Mr. D'AMATO, the names of the Senator from Indiana [Mr. COATS], and the Senator from Texas [Mr. KRUEGER] were added as cosponsors of Senate Joint Resolution 39, a joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as Emergency Medical Services Week.

SENATE JOINT RESOLUTION 47

At the request of Mr. JOHNSTON, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to designate the week beginning on November 21, 1993, and the week beginning on November 20, 1994, each as "National Family Week."

SENATE JOINT RESOLUTION 51

At the request of Mr. DURENBERGER, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Nevada [Mr. REID] were added as cosponsors of Senate Joint Resolution 51, a joint resolution designating the week commencing October 3, 1993, as "National Aviation Education Week."

SENATE JOINT RESOLUTION 53

At the request of Mr. HATCH, the names of the Senator from Maine [Mr. COHEN], the Senator from Hawaii [Mr. INOUYE], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 53, a joint resolution designating March 1993 and March 1994 both as "Women's History Month."

SENATE JOINT RESOLUTION 56

At the request of Mr. BIDEN, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Joint Resolution 56, a joint resolution to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week."

SENATE RESOLUTION 35

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Resolution 35, a resolution expressing the sense of the Senate concerning systematic rape in the conflict in the former Socialist Federal Republic of Yugoslavia.

AMENDMENTS SUBMITTED

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION

HARKIN (AND OTHERS) AMENDMENT NO. 181

Mr. HARKIN (for himself, Mrs. MURRAY, Mr. JOHNSTON, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, Mr. NICKLES, Mr. WOFFORD, Mr. BUMPERS, and Mr. PRESSLER) proposed an amendment to the concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the U.S. Government for fiscal years 1994, 1995, 1996, 1997, and 1998, as follows:

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

SEC. . SENSE OF THE SENATE REGARDING THE BARGE TAX.

It is the sense of the Senate that the revenue figure set forth in this resolution does not assume an increase in inland barge fuel taxes beyond those increases already scheduled in current law and nothing in this resolution should be considered to assume such a tax or fee.

NICKLES (AND OTHERS) AMENDMENT NO. 182

Mr. NICKLES (for himself, Mr. SHELBY, Mr. DOMENICI, Mr. WALLOP, Mr. PACKWOOD, Mr. MURKOWSKI, Mr. LOTT, Mr. HATCH, Mr. BOND, Mr. BROWN, Mr. GRASSLEY, Mr. SIMPSON, Mr. LUGAR, Mr. CRAIG, Mr. SMITH, Mr. GREGG, Mr. BURNS, Mr. MCCONNELL, Mr. FAIRCLOTH, Mr. PRESSLER, Mr. HELMS, Mr. KEMPTHORNE, Mr. BENNETT, Mr. COATS, Mr. COVERDELL, Mr. D'AMATO, Mr. MCCAIN, Mr. STEVENS, Mr. GRAMM, Mr. DOLE, Mr. THURMOND, Mr. ROTH,

Mr. HATFIELD, Mr. DURENBERGER, and Mr. GORTON) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, line 18, decrease the amount by $952,000,000.
On page 2, line 19, decrease the amount by $9,438,000,000.
On page 3, line 2, decrease the amount by $17,007,000,000.
On page 3, line 4, decrease the amount by $22,127,000,000.
On page 3, line 6, decrease the amount by $23,458,000,000.
On page 3, line 10, decrease the amount by $952,000,000.
On page 3, line 11, decrease the amount by $9,438,000,000.
On page 3, line 12, decrease the amount by $17,007,000,000.
On page 3, line 13, decrease the amount by $22,127,000,000.
On page 3, line 14, decrease the amount by $23,458,000,000.
On page 4, line 6, decrease the amount by $952,000,000.
On page 4, line 7, decrease the amount by $9,438,000,000.
On page 4, line 8, decrease the amount by $17,007,000,000.
On page 4, line 9, decrease the amount by $22,127,000,000.
On page 4, line 11, decrease the amount by $23,458,000,000.
On page 4, line 15, decrease the amount by $952,000,000.
On page 4, line 16, decrease the amount by $9,438,000,000.
On page 4, line 17, decrease the amount by $17,007,000,000.
On page 4, line 18, decrease the amount by $22,127,000,000.
On page 4, line 19, decrease the amount by $23,458,000,000.
On page 5, line 1, decrease the amount by $952,000,000.
On page 5, line 2, decrease the amount by $9,438,000,000.
On page 5, line 3, decrease the amount by $17,007,000,000.
On page 5, line 4, decrease the amount by $22,127,000,000.
On page 5, line 5, decrease the amount by $23,458,000,000.
On page 5, line 11, decrease the amount by $952,000,000.
On page 5, line 12, decrease the amount by $9,438,000,000.
On page 5, line 13, decrease the amount by $17,007,000,000.
On page 5, line 14, decrease the amount by $22,127,000,000.
On page 5, line 15, decrease the amount by $23,458,000,000.
On page 5, line 22, decrease the amount by $952,000,000.
On page 5, line 23, decrease the amount by $9,438,000,000.
On page 5, line 24, decrease the amount by $17,007,000,000.
On page 5, line 25, decrease the amount by $22,127,000,000.
On page 6, line 1, decrease the amount by $23,458,000,000.
On page 6, line 7, decrease the amount by $952,000,000.
On page 6, line 8, decrease the amount by $9,438,000,000.
On page 6, line 9, decrease the amount by $17,007,000,000.
On page 6, line 10, decrease the amount by $22,127,000,000.
On page 6, line 11, decrease the amount by $23,458,000,000.
On page 41, line 17, decrease the amount by $952,000,000.
On page 41, line 18, decrease the amount by $952,000,000.
On page 41, line 24, decrease the amount by $9,438,000,000.
On page 41, line 25, decrease the amount by $9,438,000,000.
On page 42, line 6, decrease the amount by $17,007,000,000.
On page 42, line 7, decrease the amount by $17,007,000,000.
On page 42, line 13, decrease the amount by $22,127,000,000.
On page 42, line 14, decrease the amount by $22,127,000,000.
On page 42, line 20, decrease the amount by $23,458,000,000.
On page 42, line 21, decrease the amount by $23,458,000,000.
On page 50, line 9, decrease the amount by $952,000,000.
On page 50, line 10, decrease the amount by $72,982,000,000.
On page 57, line 18, decrease the amount by $952,000,000.
On page 57, line 19, decrease the amount by $72,982,000,000.

KENNEDY (AND OTHERS) AMENDMENT NO. 183

Mr. KENNEDY (for himself, Mr. DODD, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. KOHL, and Mr. RIEGLE) proposed an amendment to the concurrent resolution (S. Con. Res. 18), as follows:

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the Head Start program will be funded at the level requested by the President for fiscal year 1998.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., March 18, 1993, to receive testimony on S. 473, the Department of Energy National Competitiveness Technology Partnership Act of 1993.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate, on March 18, 1993, at 10 a.m., to hold a hearing on the nomination of Lawrence H. Summers to be Under Secretary of the Treasury for International Affairs.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 18, 1993, at 4:30 p.m., to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON CONSUMER

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on March 18, 1993, at 9 a.m., on telemarketing fraud.

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

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE AND CIVIL SERVICE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, March 18, 1993, to receive the annual report of the Postmaster General of the United States.

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

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., March 18, 1993, to receive testimony on S. 558, the Northern Mariana Islands Act of 1993.

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

ADDITIONAL STATEMENTS

BELMONT SCHOOL "AMERICA'S BEST ELEMENTARY SCHOOLS"

• Mr. CONRAD. Mr. President, I am very proud to recognize and honor the students, parents, faculty, and administrators of the Belmont School in Grand Forks, ND, for their dedication and hard work which has resulted in the school's designation by Redbook magazine as one of "America's Best Elementary Schools."

This outstanding tribute for the Belmont School was announced in the recently released April 1993, issue of Redbook magazine. Redbook recognized Belmont as one of 177 outstanding elementary schools across the Nation. A total of 550 schools among the Nation's 50,000 elementary schools had been nominated by school administrators and educators for this Redbook magazine honor.

In addition, the Belmont School was among 51 elementary schools designated on Redbook's "Best of the States" list. According to Redbook magazine this designation was recommended by 12 national education ex-

perts on the basis of the school's innovative curricula, compassionate faculty, impressive test scores, and an uncompromising commitment to excellence.

Mr. President, North Dakotans are honored that Belmont has been chosen among "America's Best Elementary Schools". This is an honor that, without question, has involved considerable hard work and a commitment to excellence by Belmont School officials, teachers, and parents—all contributing to an exceptional learning environment.

As we consider proposals for education reform and the reauthorization of the Elementary and Secondary Education Act of 1965 during the 103d Congress, it is most important that we carefully examine the accomplishments and unique programs of these 177 elementary schools—"America's Best Elementary Schools." These schools are clearly on the right track, and we can learn much from their accomplishments as we debate education reform.

I extend my warmest congratulations to the parents, faculty, administrators, and students at the Belmont School for their hard work in achieving this outstanding honor as "America's Best".

Mr. President, I ask that the articles from Redbook magazine of April 1993, entitled "America's Best Elementary Schools" and the Grand Forks Herald of March 14, 1993, entitled "Belmont One of Nation's Top Schools" be printed at the conclusion of my remarks.

The articles follow:

AMERICA'S BEST ELEMENTARY SCHOOLS

(By Michael J. Weiss)

Three years ago, Craycroft Elementary School in Tucson, Arizona, was an example of everything wrong with public schools. Each day, nearly 15 percent of its 350 students missed class. Home-work was ignored and standardized test scores were among the area's worst.

Then Craycroft, whose student population is about half white and half Hispanic, urged parents to get more involved. The results: Classroom volunteers jumped from 7 to 150. PTO members made house calls to other parents to help tutor their children. With equipment contributed by local businesses, parents helped set up a computer lab and science center.

Today Craycroft is an educational showcase. Some 60 percent of its graduating fifth graders score higher than the national norm on standardized tests. Attendance is 97 percent. Principal Franklin Narducci credits the fact that children learn best when adults show they care about school for the dramatic turnaround.

Success stories like Craycroft's may seem like the exception rather than the rule. But the untold story of American education is that many of the nation's 59,015 elementaries are succeeding.

Indeed, in our annual America's Best Schools project, we found 177 public elementaries worthy of honor, including rich and poor schools, inner city and suburban schools, schools with 200 students and those with more than 1,300. What the winners all have in common is a commitment to finding the best ways to meet the needs of today's young students. They know that a child's first school experiences set the stage for lifelong learning.

But because there's no agreement on how to create the perfect school, the best ones devote an impressive amount of time to experimenting with an array of programs to enhance learning. Such grass roots reforms are steadily changing the way we educate our children:

No more rote learning: Gone is the back-to-basics revival of the eighties with its emphasis on memorization. Educators no longer think kids' heads should just be stuffed full of facts. Instead, the goal is to make pupils independent thinkers. "Kids don't learn much when they're faced with passive activities," says Henry Levin, Ph.D., a Stanford University professor whose Accelerated Schools Project has been adopted by more than 325 schools. Rather than assign fill-in-the-blank work sheets, for instance, teachers at Daniel Webster Accelerated School in San Francisco may ask third-grade students to critique "Charlotte's Web" or fourth graders to analyze "The Cosby Show."

Derailing "tracking:" Although tracking—the practice of grouping children by ability—is still used in about 60 percent of U.S. elementary schools, it's losing favor. Although it may be efficient to move like-minded pupils along in unison, often only the smartest students—who get all the educational goodies—profit. At the low end, classes look more like the Sweathogs from the old sitcom "Welcome Back, Kotter." And a growing number of researchers say that tracking is self-fulfilling: As disadvantaged kids fall years behind their grade levels, they grow to dislike school. Better, they say, to mix children at different levels in the same classroom. They cite studies showing that such classes increase everyone's achievement, including gifted students who help tutor their classmates.

Growing the school year: At 178 days, American kids have one of the shortest school years among industrialized nations. Japanese youngsters, by contrast, go to school for 210 days. The number of year-round schools is rising, albeit slowly: 2,017 public schools have now abolished long summer vacations, substituting shorter breaks throughout the year. (Though many educators know year-round schools could close the performance gap, cost is the major obstacle. An estimated $1 billion is needed for every extra day spent teaching the nation's 42.25 million public-school children.)

Helping the urban poor: A growing number of schools are making an effort to reach disadvantaged students. "Many kids under economic and social stress need special services," says James Comer, M.D., a psychiatrist and director of the Yale University Child Study Center School Development Program. "But most of all, they need an attitude that says, You can succeed." A Dr. Comer-designed program that strives to build an active partnership between parents, teachers, and social workers has been adopted at some 250 schools.

If one lesson is clear, it's that schools must change as our society does. By constantly revitalizing themselves, our 177 winners are leading the way to sparking excellence in all schools.

DOES YOUR SCHOOL MAKE THE GRADE?

Review the following qualities shared by our winners to see if your school measures up.

Involved parents: Winning schools find creative ways to include busy parents in their children's education. At Boston's Mather Elementary, principal M. Kim Marshall sends parents a weekly one-page guide about their kids' schoolwork. At George Washington Carver Elementary School in San Francisco, parents can drop by at their convenience, and take math and reading workshops so they can better tutor their kids. In many top schools, 90 percent of the parents volunteer their time.

A committed principal: Principals of the best schools are determined and caring, and dedicated to children above and beyond the call. At Baltimore's Samuel Coleridge-Taylor Elementary School, principal Deborah Wortham goes door-to-door to introduce herself to parents. R. Karen Craig, the principal at Naches Valley Primary in Yakima, Washington, shares a cafeteria lunch with a different child each day until, by year's end, she's met every pupil.

Nurturing teachers: Outstanding teachers are not only qualified in their craft, they also respect the different ways kids learn, and are dedicated to having all students do their best. At Union Elementary School in Montpelier, Vermont, students who need extra nurturing are often taught by the same teacher for two or three years. At Westridge Elementary in Raytown, Missouri, teams of teachers identify students with academic or emotional problems and then assign a "care teacher" to provide daily encouragement.

An emphasis on the written word: Instead of work sheets and "Dick and Jane" readers, these schools offer a "whole language" approach, meaning kids write at every opportunity and work at developing speaking skills. At Dutch Fork Elementary in Irmo, South Carolina, an in-school mail system encourages younger students to write to their teachers and each other. At the best schools, keeping a journal is as common as carrying a lunchbox.

Hands-on-learning: Experts estimate that 75 percent of all children learn faster and retain more through real-world experiences. Top elementaries feature nature trails, environmental labs, and simulated communities. At E. F. Swinney Applied Learning Magnet in Kansas City, Missouri, students plant gardens and publish their own newspapers. Sixth graders at Mountain Brook Elementary School in Birmingham, Alabama, observe a trial at a county courthouse and then invite a local judge to preside over a mock student trial.

Innovative use of technology: Until recently, high technology at most elementary schools meant an overhead projector and some shared VCRs. But at leading schools such as Floranada Elementary School in Fort Lauderdale, Florida, pupils produce a closed-circuit television program every morning. Many of the nation's best schools fully integrate computers into daily learning by first grade; some even allow students to borrow computers like library books.

Alternative assessments: Progressive elementary schools know that success can't be measured by standardized multiple-choice tests alone. At New Suncook School in Lovell, Maine, teachers evaluate their students through written reports, oral presentations, and group projects. And students contribute a journal entry and a written self-portrait as part of their assessments.

Supportive learning environment: The finest elementaries thrive because they create a climate of high expectations. Dr. Lawrence A. Nixon Elementary in El Paso, Texas, treats all of its 425 students as gifted, providing them with an accelerated curriculum that features laser-disc science equipment.

Exemplary schools reward student success—no matter the arena—with bulletin board displays, awards assemblies, and positive letters home.

Community alliances: Besides the usual visits by local police and fire chiefs, top schools enjoy presentations by business leaders, writers, college professors, and artists. They take students on field trips to see how offices and factories work as well as attend concerts and other cultural events.—M.J.W.

BEST OF THE STATES

Our blue-ribbon panel of education experts judged these 51 schools (one from each state and the District of Columbia) to be among America's top public elementaries. The secret to their success? They combine innovative curricula, compassionate teachers, impressive test scores, and an uncompromising commitment to excellence.

AMERICA'S TOP PUBLIC ELEMENTARIES

State	School and city	Comments
Alabama	Cahaba Heights Community School—Birmingham	This suburban school for 850 prides itself on involved parents (1,520 belong to the PTO) and an innovative curriculum: Students keep journals, correspond with foreign pen pals, and publish a school newspaper.
Alaska	Susitna—Anchorage	To encourage students to become self-directed, Susitna's 600 pupils set their own academic goals, develop plans to achieve them, and lead conferences with their parents and teachers to evaluate their progress.
Arizona	Craycroft—Tucson	This once-troubled school has become a source of state pride by providing its 365 students with unusual learning settings, including a biosphere, desert trail, First Interstate Banking/Math Lab, and Kids' Kitchen; parents can take classes in math, science, computers, and parenting skills.
Arkansas	George Washington Carver Magnet—Little Rock	The state's first elementary math-and-science magnet offers its 603 students a superior curriculum, including a weekly astronomy class. One third of the students are gifted, and 90 percent excel in higher-order thinking skills.
California	Rooftop Alternative School—San Francisco	Rooftop's 339 students achieve impressive results, thanks to award-winning teachers and community consultants who specialize in art, architecture, and science.
Colorado	Nederland—Nederland	This rural school has pioneered a ground breaking space curriculum with hands-on lessons in math, science, and computer technology. To simulate solar-powered space research, students even grow hydroponic plants within a geodesic dome.
Connecticut	Columbus Magnet School—South Norwalk	This exemplary inner-city magnet has overcome numerous urban ills by offering its 328 students high-quality programs in writing and art-appreciation as well as in space exploration and child sexual-abuse awareness.
Delaware	Cedar Lane—Middletown	The 414 students at this rural school are offered myriad extracurricular activities, including French and Spanish courses, music and art clubs, and a calculator team.
District of Columbia	John Eaton—Washington	A novel parent group organizes after-school tutors, funds engaging math courses, and awards faculty grants for special projects.
Florida	Alimacani—Jacksonville	With 475 parents serving as classroom aides, 227 community members involved as mentors and tutors, and 33 business partners providing more than $350,000 in supplies and equipment, this suburban school for 1,301 students thrives.
Georgia	I.N. Ragsdale—Atlanta	A model urban school, Ragsdale offers its 351 students an impressive array of extracurricular activities, such as a mentoring program for at-risk pupils, tutoring for classroom enrichment, rap sessions for girls, and an Honor Court to recognize achievements by all.
Hawaii	Kapunahala—Kaneohe	Many of the 543 students at this suburban school produce a weekly telecast, "Inside Kapunahala," that's earned state recognition for teaching language and video-production skills.
Idaho	Sorensen—Coeur d'Alene	Sorensen's 332 students not only help manage the school as peer mediators and student-council representatives, they also organize clubs—in art, drama, and chess—and recruit teachers and parents to act as adivisers.
Illinois	Prescott—Chicago	Serving a poor inner-city population, Prescott has turned itself into a "community learning laboratory," providing students and parents with access to social workers, physicians, college tutors, and business mentors.
Indiana	IPS Key School No. 97—Indianapolis	Described as a cross between a children's museum and a school, Key develops its 179 students' varied abilities through multiage classes; elective courses; daily instruction in music, art, and computers; and nontraditional grading by video presentations and art and writing portfolios.
Iowa	Fillmore—Davenport	This city school reports high test scores and a daily attendance rate above 96 percent, thanks to innovative teaching techniques such as computer-assisted math instruction, peer tutors, and a writing center that published 750 books last year.
Kansas	Village—Emporia	Nearly half of the 554 students at this school voluntarily enroll in summer school courses that include painting, computer math, aeronautics, and field science.
Kentucky	The Virginia Wheeler—Louisville	This progressive primary mixes pupils by ability, not age; students submit video portfolios and other examples of their work for evaluation by teams of teachers—80 percent of whom hold advanced degrees. parents receive weekly progress reports.
Louisiana	Glendale—Eunice	With its computer lab, after-school tutorials, daily French lessons for fourth grades, and award-winning Four-H Club, Glendale provides its 380 students with an enviable, well-rounded program.
Maine	Narragansett School—Gorham	Reform-minded Narragansett offers its 440 students flexible scheduling, multiage classes, gradeless learning, and teacher teams to design class curricula.
Maryland	Forest Knolls—Silver Spring	A suburban school for 475, Forest Knolls has an interdisciplinary curriculum serving three populations: neighborhood K through sixth graders, students with physical disabilities, and those attending a magnet program in communication arts.
Massachusetts	Alfred J. Gomes Magnet School—New Bedford	This inner city magnet for 744 offers a novel career-oriented curriculum in which students take hands-on classes in carpentry, cooking, and computer skills.
Michigan	Chrysler—Detroit	The 230 students here can boast of their impressive 98 percent attendance rate and their award-winning newspaper, Flash, which they write, edit, and publish all year—even during summer vacation.
Minnesota	Cyrus Math, Science, and Technology—Cyrus	This small rural magnet for 110 students is dedicated to innovation from the top—with its teachers sharing the principal's job—down to kindergarten classrooms that are equipped with a reading loft. The ratio of students to computers is 3 to 1.
Mississippi	The Hayes Cooper Center for Math, Science & Technology—Merigold	With a 99 percent attendance rate, this magnet for 190 begins computer instruction in kindergarten. The 13 to 1 teacher-student ratio and a 280-member PTA helped nearly 10 percent of the students win awards at a recent statewide science fair.
Missouri	Wilkinson Early Childhood Magnet Center—St. Louis	Believing that all children learn through discovery, this urban magnet teaches 287 students all the basic skills through the study of science; 1,000 students applied for this past year's 50 openings.
Montana	Garfield Grade School—Billings	Through 91 percent of its 440 students come from low-income families, Garfield consistently wins state and national awards for academic achievement, thanks to a rigorous program that includes hands-on science projects, nearly two hours a day devoted to communication arts, and good-citizen awards.
Nebraska	Fontenelle—Omaha	Fontenelle has become a community center thanks to an outstanding array of after-school classes, including evening computer courses for parents and students, a study center for practicing classroom skills, and challenging activity clubs.
Nevada	Smithridge—Reno	The 640 students get heavy doses of individual attention from foster grandparents, tutors, and business mentors, and lots of extracurricular activities.
New Hampshire	Harold Martin School—Hopkinton	To promote self-reliance, Harold Martin has its 292 students publish their own books, conduct independent research at its award-winning media center, and participate in a "mini-mentor" program matching K through second- and first- through third-grade students in a number of interactive projects and musical programs.
New Jersey	Harriet Tubman—Newark	At Harriet Tubman, students consistently score above the national average on standardized tests due to a program that includes all-day kindergarten, computer lab for every pupil, and even Suzuki-method violin lessons.
New Mexico	Loma Heights—Las Cruces	A model language-arts program offers this school's 495 students an early-morning reading club, poetry-based murals, science and math journals, and a Young Author's Conference to celebrate student writings.
New York	Public School No. 87M—New York City	The 1,127 students at this ethnically diverse school excel thanks to a literature-based reading program, hands-on math activities—and a family atmosphere preserved by parent volunteers and student teachers from six colleges.
North Carolina	Konnoak—Winston-Salem	A successful restructuring effort has introduced the 393 students to team teaching, multiage classes, enriched arts courses, and increased computer literacy.
North Dakota	Belmont—Grand Forks	At Belmont, many of the 314 students take advantage of the school's long list of enrichment activities, notably the Art Smart program, where parents serve as volunteers to assist in pottery, folk art, and mask making.
Ohio	Duxberry Park Arts IMPACT Alternative—Columbus	This novel magnet school integrates the arts with academic coursework. Students might learn about China by mounting a theatrical production complete with songs, dances, and elaborate sets.
Oklahoma	Polk—Oklahoma City	Closed the previous year because of low performance, this urban school has come back with astonishing 28 percent gains in test scores, thanks to a 16 to 1 student-teacher ratio, extended days, and a community alumni group that provides mentors and academic incentives.
Oregon	Slater/Filmore School—Burns	This school has developed a formula for excellence by combining cross-curriculum activities (a unit on insects involves scientific research, poetry, and art) with recognition program for good grades, perfect attendance, and positive behavior.
Pennsylvania	M. Hall Stanton—Philadelphia	Set in an inner city neighborhood, Stanton succeeds by offering its 715 students an intensive academic program, lots of tutoring, incentives for attendance, and the support of an active PTA where all families are involved.
Rhode Island	Francis J. Varieur—Pawtucket	A pioneer in the use of classroom technology, Varieur has its 419 students use computers to write short stones, solve math problems, and keep track of the academic progress.
South Carolina	Oakbrook—Ladson	Oakbrook's 800 pupils participate in a program that features symphony trips and art contests, an all-day media center, an open-door policy for parents, and a newcomers' club that makes the school's highly transient student population feel at home.
South Dakota	Cleghorn Canyon—Rapid City	This school for 250 students revitalized its curriculum by lengthening the school day, adding arts activities, increasing student-teacher contact, and upping the number of parents who serve on school committees.
Tennessee	Brookmeade—Nashville	Parents of Brookmeade's students dial an electronic voice mailbox to hear their child's teacher report on homework assignments, the day's activities, and schedule changes.
Texas	Dr. Lawrence A. Nixon—El Paso	To present real-world learning experiences to its 425 students, Nixon has created a simulated community, with students operating a post-office, grocery store, and more.
Utah	West—St. George	This year-round school features an arts program that integrates music, dance, drama, and the visual arts into the core curriculum; students can display their art-work in four schoolwide galleries.
Vermont	Union—Montpelier	At this progressive elementary, students choose either a conventional single-grade classroom, a multiage class for up to three consecutive years, or a "looping" single-grade class with the same teacher and students for two straight years.

AMERICA'S TOP PUBLIC ELEMENTARIES—Continued

State	School and city	Comments
Virginia	Strawbridge—Virginia Beach	Despite its large student body (1,167 pupils), Strawbridge succeeds thanks in part to a core of parents who volunteer in the classroom, shelve books in the library, and teach after-school classes in Japanese, Spanish, and sign language.
Washington	Naches Valley Primary School—Yakima	Serving a diverse rural population of 423, Naches Valley organizes Family Science Nights at school, hosts student lunches with the principal, and offers peer teaching.
West Virginia	Elm Grove—Wheeling	Elm Grove's comprehensive program for 353 offers computer instruction at all grade levels, before- and after-school kindergarten care, and varied extracurricular activities such as chorus, strings, and band.
Wisconsin	Milwaukee Spanish Immersion School—Milwaukee	This city school not only trains its 510 English-speaking students to become fluent in Spanish, it also offers peer mediators, senior citizen mentors, and involved parents who log nearly 6,600 hours of volunteer service each year.
Wyoming	Pine Bluffs—Pine Bluffs	A pioneer in the "Schools of the 21st Century" model, Pine Bluffs operates from 6:30 a.m. to 6 p.m., offering child care, parental-involvement activities, and programs where students explore job opportunities and the hazards of drug abuse

CATEGORY WINNERS

Our judging panel selected the following 126 schools as the best in their respective categories. The honored schools are listed alphabetically by state within each category; one school from each category is highlighted to provide a more detailed portrait of its successful formula.

Overall excellence

These 72 well-rounded schools excel in many ways. They offer students a success-oriented mix of a creative curriculum and varied extracurricular activities, nurturing teachers, and supportive parent and community members.

Indian Creek Elementary, Indianapolis, Indiana: Despite only modest financial support from a socio-economically diverse community, Indian Creek Elementary still manages to excel thanks to grants, fund-raisers, and a committed faculty. The school offers its 533 students the latest learning tools—including one computer for every two students. But it's not the high-tech wizardry alone that makes this school exceptional. A six-acre outdoor nature center is a living lesson in botany. A nationally recognized artists-in-residence program teaches weaving, mime, and storytelling. And fourth- and fifth-grade students in the French Back-to-Back program take a three-week trip to France while stateside classmates interact with French exchange students. Indian Creek boasts a 98 percent attendance rate and higher than average test scores. "We thrive because our parents and teachers want to be the best," says principal Karen Gould, Ed.D.

Elementary School, City/State

Jim Pearson, Alexander City, Alabama.
Mountain Brook, Birmingham, Alabama.
Westwood, Springdale, Arkansas.
Ezequiel A. Balderas, Fresno, California.
Glenn E. Murdock, La Mesa, California.
Union House, Sacramento, California.
Daniel Webster Accelerated School, San Francisco, California.
Dr. George Washington Carver, San Francisco, California.
Killingly Central School, Dayville, Connecticut.
Stratfield School, Fairfield, Connecticut.
Union School, Unionville, Connecticut.
Tilford W. Miller School, Wilton, Connecticut.
Clover Street School, Windsor, Connecticut.
Floranada, Fort Lauderdale, Florida.
Oak Hill, Jacksonville, Florida.
Southwest, Lakeland, Florida.
Aikahi, Kailua, Hawaii.
Grove Avenue School, Barrington, Illinois.
Daniel Webster School No. 46, Indianapolis, Indiana.
Indian Creek, Indianapolis, Indiana.
East, Pendleton, Indiana.
Tecumseh-Harrison, Vincennes, Indiana.
Valley Park, Overland Park, Kansas.
Arlington, Lexington, Kentucky.
Mary G. Hogsett, Danville, Kentucky.
Millard, Pikeville, Kentucky.
Audubon Montessori School, New Orleans, Louisiana.
New Suncook School, Lovell, Maine.
Mt. Washington, Baltimore, Maryland.
Sanborn School, Andover, Massachusetts.
Graham & Parks Alternative Public School, Cambridge, Massachusetts.
Nantucket, Nantucket, Massachusetts.
Barton, Detroit, Michigan.
Blue Earth, Blue Earth, Minnesota.
New Hope, New Hope, Minnesota.
Susan Lindgren Intermediate Center, St. Louis Park, Minnesota.
D.T. Cox, Pontotoc, Mississippi.
Midway Heights, Columbia, Missouri.
E.F. Swinney Applied Learning Magnet, Kansas City, Missouri.
Cambridge School, Kendall Park, New Jersey.
Sandyston-Walpack School, Layton, New Jersey.
Littleton, Morris Plains, New Jersey.
Dutch Neck School, Princeton Junction, New Jersey.
Hillrise, Las Cruces, New Mexico.
Benjamin Franklin, Binghamton, New York.
West Frankfort, Frankfort, New York.
Tangier Smith P.S. 75, Mastic Beach, New York.
The Emily Dickinson School P.S. 124, New York, New York.
The Yung Wing Elementary School, New York, New York.
Fox Meadow, Scarsdale, New York.
Wantagh, Wantagh, New York.
Barrington Road, Upper Arlington, Ohio.
Caledonia School, East Cleveland, Ohio.
Morgan, Hamilton, Ohio.
Alameda, Portland, Oregon.
Bradford School, Bradford, Rhode Island.
Buist Academy, Charleston, South Carolina.
Satchel Ford, Columbia, South Carolina.
Dutch Fork, Irmo, South Carolina.
Vermillion, Vermillion, South Dakota.
Tulip Grove, Hermitage, Tennessee.
DuPont, Old Hickory, Tennessee.
Ortega, Austin, Texas.
Stonewall Jackson, Dallas, Texas.
Bunker Hill, Houston, Texas.
Christa McAuliffe, Lewisville, Texas.
Huffman, Plano, Texas.
Shepard, Plano, Texas.
W.H.L. Wells, Plano, Texas.
Fidalgo, Anacortes, Washington.
Phantom Lake, Bellevue, Washington.
Milwaukee German Immersion School, Milwaukee, Wisconsin.

Significant Improvement

Despite a lack of resources affluent schools take for granted, these 12 schools have made significant gains in academic achievement, attendance rates, and student behavior. Their strategies are both innovative and inspirational.

Baker's Chapel Elementary, Greenville, South Carolina: For years, Baker's Chapel Elementary had a reputation for mediocrity. But with the 1983 hiring of principal Nancy Farnsworth, everything changed. She insisted that every night the 317 students complete homework in math and reading. Each month, they had to write a book report, finish a science and social studies project, and memorize a poem. Each teacher was required to host three field trips and three outside speakers per year, as well as write one grant application annually. Today the school's curriculum, teachers, and principal have all won awards. Between 1983 and 1990, test scores in reading doubled; in mathematics, they tripled. "If you expect kids to achieve, they're going to," observes Farnsworth.

Elementary School, City/State

Library, Midway, Georgia.
S. Ellen Jones, New Albany, Indiana.
Shady Grove, Monroe, Louisiana.
Samuel Coleridge-Taylor, Baltimore, Maryland.
Mather, Dorchester, Massachusetts.
Dag Hammarskjold School No. 6, Rochester, New York.
Winter Place Primary School, Cincinnati, Ohio.
Pierce, Oklahoma City, Oklahoma.
Baker's Chapel, Greenville, South Carolina.
Whiteville, Whiteville, Tennessee.
Montgomery, Farmers Branch, Texas.
Tiskelwah, Charleston, West Virginia.

Classroom Innovation

Recognizing that not everyone works best in traditional learning settings, these six standout schools are honored for implementing creative and successful curriculum projects to better reach their students.

Yonkers Public School No. 29, Yonkers, New York: Nature is at the heart of the learning process at School No. 29. The school boasts a wildlife bird sanctuary, and students learn about local plants and animals at workshops taught by rangers and scientists. While many schools feature recycling programs, School No. 29 has taken its program further, integrating the environment into all subject areas. The school's three wings are divided into geographic regions—like oceans, marshlands, and deserts—so teachers can develop thematic units for math and reading. Recently, students won a national award for a primer about recycling. "We want students to understand that ecology is a way of life," says principal Marilyn Walder, "not something on a bumper sticker."

Elementary School, City/State

Susan Roll Leach School No.± 68, Indianapolis, Indiana.
Stanton, Stanton, Kentucky.
Bach Open Classroom Program, Ann Arbor, Michigan.
Pierre Laclede, St. Louis, Missouri.
Saco Public School, Saco, Montana.
Yonkers Public School No. 29, Yonkers, New York.

Special-Needs Programs

The judges honored these ten schools for their exceptional efforts to meet the needs of those with physical, emotional, or behavioral learning disabilities.

Vilonia Elementary, Vilonia, Arkansas: At rural Vilonia Elementary, one third of the pupils in some classes of the third to fifth grades are "differently abled," as the school calls them. Everyone learns together thanks to teachers who are jointly certified in elementary and special education, and the fact that kids with disciplinary problems are paired with high school students who serve as role models. Physically or mentally limited pupils work with gifted fifth graders during science activities. "Our goal is to get all students to accept that everyone has a problem of some sort," says principal Ed Bradshaw, who reports that improved self-esteem among all students is the result.

Elementary School, City/State

Educational Program for the Individual Child, Birmingham, Alabama.
Vilonia, Vilonia, Arkansas.
Linda Vista, San Diego, California.
John Quincy Adams, District of Columbia.
Ala Wai, Honolulu, Hawaii.
Hartman, Omaha, Nebraska.
Sarah Collins, Greenville, South Carolina.
Beacon Heights, Salt Lake City, Utah.
Gilbert Linkous, Blacksburg, Virginia.
Emily Dickinson, Redmond, Washington.

Extracurricular Activities

Unlike schools that lock their doors after classes, the five winners in this category excel in offering challenging and mind-expanding activities to enrich students' lives.

Vaughn Road Elementary School, Montgomery, Alabama: For many kids in the Montgomery area, the biggest draw in town for sheer fun isn't the local mall or video arcade. It's Vaughn Road Elementary School's activities program. Once a month, the school's 629 students skip their routine in favor of taking courses in everything from bowling and cake decorating to oceanography and jazz dance. Like free universities, the 42 course offerings are taught by parents, teachers, and business leaders (and funded by a $6,000 grant from a local councilman).

Elementary School, City/State

Vaughn Road, Montgomery, Alabama.
Eccleston, Orlando, Florida.
Frederick Funston Elementary, Chicago, Illinois.
Alpine School, Sparta, New Jersey.
John B. Dey Elementary, Virginia Beach, Virginia.

Parent/Community Involvement

At these 21 schools, supportive parents and community members play a crucial role. These elementaries are honored for their success at turning parent/community involvement into school improvement.

Richey Elementary School, Tucson, Arizona: Many elementary schools look to parents to raise money for T-shirts or trees. But at Richey Elementary School, the parents help preserve their local Indian and Mexican culture. Every day, about ten parents and grandparents volunteer in the trilingual classrooms, serving as tutors and translators, to teach indigenous arts to the 200 pupils who are 47 percent Hispanic, 43 percent Yaqui Indian, and 10 percent black, white, or Asian. Richey also hosts bilingual workshops to teach parents health and parenting skills. Such community activism, says principal Betty Brichta Garcia, has increased student confidence and decreased dropouts. "Here, students graduate with one foot in the majority culture and one in their family culture. And that gives them a better chance at success."

Elementary School, City/State

Pepperell Intermediate School, Opelika, Alabama.
Richey, Tucson, Arizona.
San Juan, San Juan Capistrano, California.
Christopher Columbus School, New Haven, Connecticut.
Lulu M. Ross, Milford, Delaware.
Banyan Creek Community, Delray Beach, Florida.
Fourth Street, Athens, Georgia.
Swainsboro Primary School, Swainsboro, Georgia.
Jose Clemente Orozco Community Academy, Chicago, Illinois.
Muessel, South Bend, Indiana.
Carmody Hills, Capitol Heights, Maryland.
Columbia Park, Landover, Maryland.
Snail Lake, Shoreview, Minnesota.
Westridge, Raytown, Missouri.
Tomasita, Albuquerque, New Mexico.
P.S. 146, New York, New York.
Glenwood, Chapel Hill, North Carolina.
East Goshen, West Chester, Pennsylvania.
Oak, Bartlett, Tennessee.
North Summit, Coalville, Utah.
Atenville, Harts, West Virginia.

HOW OUR GREAT SCHOOLS WERE FOUND

Redbook's America's Best Schools project solicited nominations from the experts: state departments of education, national education organizations, members of the U.S. House of Representatives, and education reporters. School principals then filled out nomination forms, providing quantitative data as well as essays, videos, or clippings. All told, 555 schools sent in detailed nomination packets from every state and the District of Columbia. In an initial review, graduate students from Teachers College, Columbia University in New York City, selected 360 finalists. Then the following panel of 12 judges—all leading education experts—named the 177 winning schools.

Michael Casserly, Ph.D., interim executive director of the Council of Great City Schools, a research and advocacy group representing 47 of the nation's largest urban school districts.

Marie Della Bella, Ph.D., education consultant and manager of the school-recognition programs for the Connecticut State Department of Education.

John Fero, president of the National Association of Elementary School Principals, the professional organization serving more than 26,000 elementary- and middle-school principals.

Sharon Field, Ed.D., associate professor (research) at Wayne State University and program director for Transition and Employment at the Developmental Disabilities Institute.

Virginia Horns-Marsh, Ph.D., professor emerita of the University of Alabama at Birmingham and director of the Children's Creative Learning Center.

Martin Koldyke, Chicago businessman and education activist who founded the Golden Apple Foundation, which awards exemplary teachers and teaching students.

Marjorie J. Kostelnik, Ph.D., past director of the Child Development Laboratry and acting chair of the family and child ecology department at Michigan State University.

Walter J. Leonard, J.D., executive director of Cities in Schools, Inc., the nation's largest nonprofit dropout-prevention program, and former president of Fisk University.

Robert M. McClure, Ph.D., director of the site-based restructuring program of the National Education Association's National Center for Innovation.

Jean Narayanan, acting director of the U.S. Department of Education's Recognition Division, which oversees the Blue Ribbon Schools Program.

Allan Shedlin, Jr., executive director of the National Elementary School Center, an advocacy, policy, and resource center concerned with improving the quality of elementary schools.

Jon Snyder, Ed.D., director of teacher education at the University of California, Santa Barbara, and former research director of the National Center for Restructuring Education, Schools, and Teaching at Columbia University.

[From the Grand Forks Herald, Mar. 14, 1993]

BELMONT ONE OF NATION'S TOP SCHOOLS

(By Steve Schmidt)

Belmont School of Grand Forks has been named by Redbook magazine as one of "America's Best Elementary Schools."

The April edition of Redbook recognizes Belmont as one of 177 outstanding schools and puts Belmont among 51 on its "Best of the States" list.

Redbook, a monthly magazine for young working mothers, with a circulation of more than 3 million, had a panel of 12 national education experts choose the finalists for "America's Best."

Redbook says the 51 state leaders "combine innovative curricula, compassionate teachers, impressive test scores and an uncompromising commitment to excellence."

Belmont, which had been nominated along with two Fargo schools by the state Department of Public Instruction, was the only North Dakota school to make the Redbook honor roll. A total of 550 had been nominated by administrators, education leaders and congressional members from among the nation's 59,000 elementary schools.

In its "Best of the States" listing, Redbook says: "At Belmont, many of the 314 students take advantage of the school's long list of enrichment activities, notably the Art Smart program, where parents serve as volunteers to assist in pottery, folk art and mask making."

Beth Randkiev is principal at Belmont, which last year was named a state and national Blue Ribbon school.

Redbook said its criteria for ranking the best grade schools included involved parents and principals; nurturing teachers; an emphasis on the written word; innovative use of technology; community alliances; alternative ways of assessing student achievement, such as through journals; and an overall supportive learning environment.

Minnesota's "Best of State" entry was Cyrus Math, Science and Technology, a small rural magnet school, with one computer for every three students, in the city of Cyrus. Also recognized were elementary schools in Blue Earth, New Hope and St. Louis Park, Minn.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Howell Heflin:									
Germany	Deutsche mark	1,297.76	895.01			1,750.99	1,207.58	3,048.75	2,102.59
Belgium	Franc	14,529.58	501.02			5,066	166.62	19,595.58	667.64
Total			1,396.03				1,374.20		2,770.23

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry,
Jan. 12, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joseph H. Kimmitt:									
Japan	Yen		290.00						290.00
China	Yuan		1,480.00						1,480.00
Hong Kong	Dollar		416.00						416.00
United States	Dollar				2,482.17				2,482.17
C. Richard D'Amato:									
Belgium	Franc	13,367	434.00					13,367	434.00
Romania	Dollar		348.00						348.00
Czechoslovakia	Crown	6,925	624.00					6,924	624.00
United States	Dollar				3,611.90				3,611.90
Tim Rieser:									
Kenya	Dollar		176.10				37.00		213.10
Somalia	Dollar						27.43		27.43
United States	Dollar				3,622.00				3,622.00
Total			3,768.10		9,716.07		64.43		13,548.60

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Nov. 12, 1992.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert M. Walker:									
Bahrain	Dinar	87.825	233.00					87.825	233.00
Saudi Arabia	Ryal	2,940	784.00					2,940	784.00
United States	Dollar				4,658.00				4,658.00
Total			1,017.00		4,658.00				5,675.00

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Nov. 12, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John W. Warner:									
Belgium	Franc	20,718	618.00					20,718	618.00
Gary L. Sojka:									
Panama	Dollar		132.00						132.00
Colombia	Peso	225,147.16	314.00			71,894	100.00	297,041.16	414.00
Bolivia	Boliviano	1,518.25	375.92					1,518.75	375.92
Venezuela	Dollar		176.00						176.00
Robert G. Bell:									
Former Soviet Union	Dollar		1,200.00						1,200.00
Richard E. Combs, Jr.:									
Former Soviet Union	Dollar		988.95		2,820.00		189.00		3,997.95
Senator Sam Nunn:									
Former Soviet Union	Dollar		1,008.95		2,838.00		140.00		3,986.95
George K. Johnson, Jr.:									
United Kingdom	Pound	1,032	1,599.66					1,032	1,599.66
John W. Douglass:									
Germany	Deutsche mark	678	432.17		239.63				671.80

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1992—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Switzerland	Franc	303.20	217.19	2	1.43			305.20	218.62
Yugoslavia	Dollar		6.00						6.00
Richard D. DeBobes:									
Germany	Deutsche mark	709.86	452.14					709.86	452.14
Switzerland	Franc	319.20	229.39	2	1.93			321.20	231.32
Yugoslavia	Dollar		6.00						6.00
Senator Carl Levin:									
Russia	Dollar		180.00						180.00
China	Yuan	2,840	498.00					2,840	498.00
India	Rupee	8,007	283.00					8,007	283.00
Israel	Shekel	1,026	380.00					1,026	380.00
Syria	Dollar		127.00						127.00
Kenya	Shilling	8,744	175.00					8,744	175.00
Richard W. Fieldhouse:									
Russia	Dollar		65.00		11.00				76.00
China	Yuan	2,582	453.00					2,582	453.00
India	Rupee	7,510	266.00					7,510	266.00
Pakistan	Rupee	2,707	106.00					2,707	106.00
Israel	Shekel	886	328.00					886	328.00
Syria	Dollar		125.00						125.00
Kenya	Shilling	10,485	210.00					10,485	210.00
Total			10,952.37		5,911.99		429.00		17,293.36

SAM NUNN,
Chairman, Committee on Armed Services, Jan. 6, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John E. Mansfield:									
Norway	Dollar		606.00						606.00
United Kingdom	Pound	129.84	250.85			24.92	48.15	154.76	299.00
John J. Hamre:									
Germany	Dollar		327.00						327.00
Belgium	Franc	30,616	1,048.50					30,616	1,048.50
Senator Richard C. Shelby:									
Belgium	Franc	30,616	1,048.50					30,616	1,048.50
Terence M. Lynch:									
Belgium	Franc	30,616	1,048.50					30,616	1,048.50
Germany	Dollar		163.50						163.50
Senator John W. Warner:									
Germany	Deutsche mark	129.27	93.00					129.27	93.00
United States	Dollar				1,735.00				1,735.00
Total			4,585.85		1,735.00		48.15		6,369.00

SAM NUNN,
Chairman, Committee on Armed Services, Oct. 1, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Roy Phillips:									
Belgium	Franc	14,050	466.00					14,050	466.00
Italy	Lira	966,176	872.00					966,176	872.00
Germany	Deutsche mark	790.97	545.50					790.97	545.50
United States	Dollar				3,444.10				3,444.10
Total			1,883.50		3,444.10				5,327.60

JIM SASSER,
Chairman, Committee on the Budget, Nov. 12, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James P. Beirne:									
Fiji	Dollar	1,373.12	901.00					1,373.12	901.00
Western Samoa	Tala	352.16	142.00					352.16	142.00
United States	Dollar				2,347.60				2,347.60
Benjamin S. Cooper:									
Fiji	Dollar	1,373.12	901.00					1,373.12	901.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1992—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Western Samoa	Tala	352.16	142.00					352.16	142.00
United States	Dollar				2,347.60				2,347.60
Allen P. Stayman:									
Fiji	Dollar	948.77	649.84	25	17.12	9	6.16	982.77	673.12
Western Samoa	Tala	295.12	121.00			20	8.06	315.12	129.06
United States	Dollar				2,347.60				2,347.60
Total			2,856.84		7,059.92		14.22		9,930.98

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, Jan. 4, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator J. Bennett Johnston:									
Sweden	Krona	6,189	1,164.00					6,189	1,164.00
Switzerland	Franc	607.95	472.00					607.95	472.00
United States	Dollar				5,470.10				5,470.10
Total			1,636.00		5,470.10				7,106.10

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, Jan. 4, 1993.

ADDENDUM TO SECOND QUARTER REPORT OF CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel Akaka:									
Armenia	Dollar		150.00						150.00
Azerbaijan	Dollar		150.00						150.00
Uzbekistan	Dollar		180.00						180.00
Tajikistan	Dollar		102.00						102.00
Kazakhstan	Dollar		113.00						113.00
Total			695.00						695.00

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, Jan. 4, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Roy W. Kienitz:									
Israel	Pound		810.00						810.00
Jordan	Dinar		632.00						632.00
United States	Dollar				3,688.45				3,688.45
Steven J. Shimberg:									
Uruguay	Peso	3,238,080	960.00					3,238,080	960.00
United States	Dollar				3,321.00				3,321.00
Claudia Anne McMurray:									
Uruguay	Peso	3,238,080	960.00					3,238,080	960.00
United States	Dollar				3,281.00				3,281.00
Robert C. Conner:									
Sweden	Krona	4,065	600.00					4,065	600.00
Germany	Mark	450	150.00					450	150.00
France	Franc	5,713.80	1,068.00					5,713.80	1,068.00
United States	Dollar				1,214.90				1,214.90
Total			5,180.00		11,505.35				16,685.35

DANIEL PATRICK MOYNIHAN,
Chairman, Committee on Environment and Public Works, Jan. 20, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator David Durenberger:									
Turkey	Lira	1,663,181	241.00			2,034,249	290.33	3,697,430	531.33
Jordan	Dinar	255.74	380.00					255.74	380.00
Israel	Dollar		700.00				829.53		1,529.53
United States	Dollar				1,875.90				1,875.90
Richard Evans:									
Turkey	Lira	1,663,181	241.00			2,034,249	290.33	3,697,430	531.33
Jordan	Dinar	255.74	380.00					255.74	380.00
Israel	Dollar		700.00				829.53		1,529.53
United States	Dollar				1,875.90				1,875.90
Total			2,642.00		3,751.80		2,239.72		8,633.52

DANIEL PATRICK MOYNIHAN
(For Sen. Quentin N. Burdick),
Chairman, Committee on Environment and Public Works, Oct. 1, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Deborah A. Lamb:									
Chile	Peso		920.00						920.00
United States	Dollar				1,636.00				1,636.00
Total			920.00		1,636.00				2,556.00

LLOYD BENTSEN,
Chairman, Committee on Finance, Jan. 14, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 31, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Hank Brown:									
Greece	Dollar		1,338.00						1,338.00
United States	Dollar				1,184.00				1,184.00
Senator Alan Cranston:									
Ukraine	Dollar		194.00						194.00
Latvia	Dollar		205.00						205.00
Estonia	Dollar		205.00						205.00
Kyrgystan	Dollar		246.00						246.00
Kazakhstan	Dollar		340.00						340.00
Turkmenistan	Dollar		162.17						162.17
United States	Dollar				4,029.30				4,029.30
Senator Nancy L. Kassebaum:									
United States	Dollar				5,691.00				5,691.00
Senator Larry Pressler:									
Russia	Dollar		300.00						300.00
Kazakhstan	Dollar		285.40						285.40
Uzbekistan	Dollar		330.00						330.00
Turkmenistan	Dollar		354.12						354.12
Moldova	Dollar		218.00						218.00
Ukraine	Dollar		266.50						266.50
Belarus	Dollar		408.00						408.00
Latvia	Dollar		227.98						227.98
United States	Dollar				6,333.00				6,333.00
Thomas J. Callahan:									
Kenya	Shilling	11,517.75	357.00	69.80	2.16	69.80	2.16	11,657.35	361.32
United States	Dollar				3,932.00				3,932.00
Peter W. Galbraith:									
Croatia	Dollar		360.00						360.00
Serbia	Dollar		330.00						330.00
Hungary	Dollar		165.00						165.00
United States	Dollar				3,354.20				3,354.20
Germany	Deutsche mark	153	116.00					153	116.00
Austria	Dollar		267.00						267.00
Ukraine	Dollar		194.00						194.00
Latvia	Dollar		205.00						205.00
Estonia	Dollar		205.00						205.00
Kyrgystan	Dollar		246.00						246.00
Kazakhstan	Dollar		340.00						340.00
Turkmenistan	Dollar		162.17						162.17
United States	Dollar				2,850.60				2,850.60
Garrett Grigsby:									
Nicaragua	Dollar		390.40						390.40
United States	Dollar				1,050.80				1,050.80
Thomas Kleine:									
Nicaragua	Dollar		390.40						390.40
United States	Dollar				1,050.80				1,050.80
Robyn Lieberman:									
Germany	Deutsche mark	153	116.00					153	116.00
Austria	Dollar		267.00						267.00
Ukraine	Dollar		194.00						194.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 31, 1992—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Latvia	Dollar		205.00						205.00
Estonia	Dollar		205.00						205.00
Kyrgystan	Dollar		246.00						246.00
Kazakhstan	Dollar		340.00						340.00
Turkmenistan	Dollar		162.17						162.17
United States	Dollar				2,850.60				2,850.60
Michelle Maynard:									
Croatia	Dollar		360.00						360.00
Serbia	Dollar		330.00						330.00
Hungary	Dollar		165.00						165.00
Richard L. McCall:									
El Salvador	Colon	9,450	1,125.00					9,450	1,125.00
United States	Dollar				1,108.00				1,108.00
Danielle Pletka:									
Israel	Dollar		75.00						75.00
United States	Dollar				1,259.00				1,259.00
John Ritch:									
Hungary	Forint	83,043	1,075.00					83,043	1,075.00
United States	Dollar				2,435.70				2,435.70
Tim Trenkle:									
United States	Dollar				5,691.00				5,691.00
Bruce Rickerson:									
Russia	Dollar		300.00						300.00
Kazakhstan	Dollar		285.40						285.40
Uzbekistan	Dollar		330.00						330.00
Turkmenistan	Dollar		354.12						354.12
Moldova	Dollar		218.00						218.00
Ukraine	Dollar		266.50						266.50
Belarus	Dollar		408.00						408.00
Latvia	Dollar		227.98						227.98
United States	Dollar				3,704.00				3,704.00
Anne Smith:									
Russia	Dollar		300.00						300.00
Kazakhstan	Dollar		285.40						285.40
Uzbekistan	Dollar		330.00						330.00
Turkmenistan	Dollar		354.12						354.12
Moldova	Dollar		218.00						218.00
Ukraine	Dollar		266.50						266.50
Belarus	Dollar		408.00						408.00
Lativa	Dollar		227.98						227.98
United States	Dollar				3,704.00				3,704.00
Total			18,453.31		50,230.16		2.16		68,685.63

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Nov. 1, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jerry M. Tinker:									
United States	Dollar				1,409.90				1,409.90
Canada	Dollar	1,519.44	1,271.00					1,519.44	1,271.00
Richard W. Day:									
Canada	Dollar	917.33	767.00					917.33	767.00
United States	Dollar				1,249.03				1,249.03
Mary C. Hawkins;									
United States	Dollar				3,554.90				3,554.90
United Kingdom	Pound sterling	170.72	326.00					170.72	326.00
Finland	Finnmark	1,994.37	485.84					1,994.37	485.84
Total			2,849.84		6,213.83				9,063.67

JOSEPH R. BIDEN, Jr.,
Chairman, Committee on the Judiciary, Nov. 5, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Iskowitz:									
Netherlands	Guilder	2,057.32	1,245.35	371.12	224.65	1,425.00	862.59	3,853.44	2,332.59
United States	Dollar				827.90	697.66	422.31		1,250.21
Total			1,245.35		1,052.55		1,284.90		3,582.80

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Oct. 23, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SECTION 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON ETHICS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Karen L. Bovard:									
Canada	Dollar		425.00				375.00		800.00
United States	Dollar				441.61				441.61
Total			425.00		441.61		375.00		1,241.61

TERRY SANFORD,
Chairman, Select Committee on Ethics, Dec. 18, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
L. Britt Snider			1,098.00		3,545.90				4,643.90
Marvin Ott			1,224.00		3,545.90				4,769.90
Christopher Straub			1,647.80		4,147.00				5,794.80
Don Mitchell			1,158.80		4,147.00				5,305.80
David Garman			390.00		810.00				1,200.00
John Despres			3,833.00		4,871.00				8,704.00
Cullum Clark			2,954.74		3,748.55				6,703.29
Timothy Carlsgaard			1,491.92		5,167.00				6,658.92
Sarah Holmes			1,991.00		3,351.00				5,342.00
Jonathan Zittrain			2,361.00		3,351.55				5,712.55
Christopher Straub			175.00		695.00				870.00
Peter Dorn			660.00		907.10				1,567.10
Total			18,985.26		38,287.00				57,272.26

DAVID L. BOREN,
Chairman, Select Committee on Intelligence, Sept. 30, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Dennis DeConcini:									
United States	Dollar				5,075.00				5,075.00
Ireland	Sterling	115.73	221.00					115.73	221.00
United Kingdom	Sterling	141.39	270.00	19.50	37.23			160.89	307.23
Finland	Mark	1,854.15	451.68					1,854.15	451.68
Jane S. Fisher:									
United States	Dollar				3,554.90				3,554.90
United Kingdom	Sterling	170.72	326.00					170.72	326.00
Finland	Mark	1,994.37	485.84					1,994.37	485.84
Mary Sue Hafner:									
United States	Dollar				3,554.90				3,554.90
United Kingdom	Sterling	170.72	326.00					170.72	326.00
Finland	Mark	1,994.37	485.84					1,994.37	485.84
Delegation expenses: [1]									
United Kingdom							1,869.09		1,869.09
Finland							846.13		846.13
Total			2,566.36		12,222.93		2,715.22		17,503.61

[1] Delegation expenses include direct payments and reimbursement to the Department of State under authority of Sec. 502–B of the Mutual Security Act of 1954 as amended by Sec. 22 of P.L. 95–384.

DENNIS DeCONCINI,
Chairman, Commission on Security and Cooperation in Europe,
Oct. 16, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON POW/MIA AFFAIRS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Frances A. Zwenig:									
Vietnam	Dollar		391.00						391.00
Laos	Dollar		50.00						50.00
Thailand	Baht	22,264	880.00						880.00
United States	Dollar				1,598.00				1,598.00
Total			1,321.00		1,598.00				2,919.00

GEORGE J. MITCHELL, Majority Leader,
ROBERT J. DOLE, Republican Leader,
Sept. 28, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON POW/MIA AFFAIRS, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Neal Kravitz:									
United States	Dollar				386.00				386.00
Mexico	Peso	3,113.00	288.00					3,113.00	288.00
Barry Valentine:									
United States	Dollar				386.00				386.00
Mexico	Peso	3,113.00	288.00					3,113.00	288.00
Total			576.00		772.00				1,348.00

GEORGE J. MITCHELL, Majority Leader,
ROBERT J. DOLE, Republican Leader,
Sept. 15, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), U.S. SENATE ARMS CONTROL OBSERVER GROUP, FOR TRAVEL JULY 8–12, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John W. Warner:									
Switzerland	Franc	307	225.00					307	225.00
United States	Dollar				2,303.00				2,303.00
Total			225.00		2,303.00				2,528.00

GEORGE J. MITCHELL, Majority Leader,
ROBERT J. DOLE, Republican Leader,
Sept. 24, 1992.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM OCT. 1 TO DEC. 31, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth, Jr.:									
Greece	Dollar		549.00						549.00
United States	Dollar				1,146.00				1,146.00
Total			549.00		1,146.00				1,695.00

ROBERT J. DOLE, Republican Leader,
Jan. 14, 1993.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM JULY 1 TO SEPT. 30, 1992

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan K. Simpson:									
Germany	Deutsche mark	1,392	960.00			1,750.99	1,207.58	3,142.99	2,167.58
Belgium	Franc	16,414	566.00			5,066.00	166.62	21,480	732.62
Total			1,526.00				1,374.20		2,900.20

ROBERT J. DOLE, Republican Leader,
Dec. 30, 1992.

SALUTE TO WILLAMETTE BEARCATS

• Mr. HATFIELD. Mr. President, as many of my colleagues know, I am a one-man fan club for Willamette University in Salem, OR. Not only did I receive my undergraduate degree from Willamette, but I also taught there for many years and served on the board of trustees, and I am honored to have the university's new library named for me.

Like a proud grandfather, I come to the Senate floor to brag about Willamette once again.

This past Tuesday, the Willamette University Bearcats men's basketball team became the first team from Oregon ever to win an NAIA National Basketball Championship.

The Bearcats defeated South Dakota's Northern State University by a score of 63–56 to win the NAIA Division II title.

Congratulations go to Willamette President Jerry Hudson, basketball coach Gordie James, and the entire Bearcats team.

I am especially pleased to note that along with its athletic prowess, Willamette has also maintained its academic reputation as one of the finest small universities in America.•

PRAISE FOR AMBASSADOR JOSEPH VERNER REED

• Mr. MOYNIHAN. Mr. President, I rise to bring to my colleagues' attention some words of well-deserved praise for Joseph Verner Reed. Ambassador Reed has served our country in a number of diplomatic capacities which are remarkable in their diversity. Serving most recently as Under Secretary General Special Representative of the Secretary General for Public Affairs, Ambassador Reed has at one time claimed the titles of Chief of Protocol of the United States, United States Representative to the Economic and Social Council of the United Nations, and Ambassador to Morocco—just to name a few. I have no doubt that my colleagues here in the Senate will find of great interest the remarks made by Famara Ibrahima Sagna, Minister of Finance of Senegal, on the occasion of Ambassador Reed's acceptance of the promotion in grade as Grand Officer in the National Order of the Lion as well as Reed's ensuing remarks.

The remarks follow:

REMARKS BY HIS EXCELLENCY FAMARA IBRAHIMA SAGNA, MINISTER OF ECONOMY, FINANCE AND PLAN OF THE REPUBLIC OF SENEGAL, APRIL 6, 1992

Excellencies, ladies and gentleman:

This afternoon, I would like to say how pleased I am for having this opportunity to see that my visit to Washington, D.C., coincides with the occasion which Ambassador Reed and Ambassador Ka have agreed to organize this wonderful gathering. We are gathered here with many of our dear friends to bestow, on behalf of the President of Senegal, His Excellency Abdou Diouf, one of the highest distinctions of Senegal to His Excellency Joseph Verner Reed.

As I recall, little over a year ago, on December 17, 1990, Ambassador Ka had the unique privilege in organizing a gathering to honor Ambassador Reed with the distinction of the Commander of the National Order of the Lion of Senegal, at Blair House. A day that is special to Ambassador Reed, as it was his birthday.

Today Ambassador Ka has organized this gathering which coincides with me present here in Washington, D.C., and I feel it is a great privilege to be a part of this ceremony.

By bestowing on Ambassador Reed the title of the National Order of the Lion of Senegal this year, President Diouf, specifically wanted to thank him on behalf of all his African colleagues for the remarkable achievements which he accomplished at the satisfaction of the entire continent of Africa, during the special United Nations Session of 1986; "On the Critical Economic Situation of Africa".

This afternoon, in just 14 months later, the President of Senegal, His Excellency Abdou Diouf would like to, once again, honor, Ambassador Reed with one of the Highest Distinctions of Senegal: The title of Grand Officer of the National Order of the Lion of Senegal.

President Abdou Diouf wishes to thank you again for all your wonderful achievements while serving at the Chief of Protocol of the United States of America. In bringing Africa more into the inner circles of Washington, D.C.

Mr. President, once again, would like to thank you on behalf of his wife and the Government of Senegal for their successful state visit which you had organized with quality and professionalism here in Washington, D.C. last September.

Today, by bestowing on your this honor, President Diouf, hopes that you, with your new position as the Under Secretary General to the United Nations will continue to strengthen the relations between Africa and the United Nations.

Ambassador Reed, I want to take this opportunity to personally thank you as an old friend, for all that you have done for Senegal and would like to wish you great success in your new important position.

Ambassador Joseph Verner Reed in the name of His Excellency President Abdou Diouf, and by the virtue of the powers confined on me, I now bestow on you the title of Grand Officer of the National Order of the Lion of Senegal.

Thank You.

REMARKS BY AMBASSADOR JOSEPH VERNER REED

Dean of the Diplomatic Corps, Minister of Finance and Economy Sagna and Ambassador of the Republic of Senegal, Ibra Deguene Ka: I am deeply honored by the extraordinary gesture of President Abdou Diouf to take the initiative to promote my grade in the National Order of the Lion to that of Grand Officer.

Mr. Minister and special friend, I thank you for your presence and for your words. It is indeed a signal pleasure to have someone of your senior rank from Senegal to present me the award. Ambassador Ka—to you, who is one of the great diplomats in the diplomatic corps of Washington, I thank you for organizing this elegant ceremony and for gathering family, friends, and colleagues.

Senegal and the Senegalese have been close to my heart for two decades. I have visited Senegal often and consider myself privileged to count as friends, President and Mrs. Diouf and members of their family. I made my first visit to Dakar in 1971—Senegal's first president, the distinguished Leopold Senghor received me. I visited the island of Gorê which made a lasting impression on me. That gateway island had brought so many African-Americans to the New World that it is now a shrine. Subsequently, I have crisscrossed Senegal by foot, rail, air, motor—even by canoe. I have a dazzling memory of crossing the river Senegal at high noon, and my memories of visiting Dakar and Saint Louis are rich. I have been privileged to know many Senegalese, in both the public and private sectors, and consider these friendships timeless.

Senegalese diplomats are among the best of the best—and thanks to Senegal's leadership, the historic conclave of the General Assembly in 1986 on the critical economic situation in Africa changed forever the course of economic affairs on the continent. That special session brought the winds of political change from one end of the continent to the other.

Africa is a huge continent with varied parts and people; 51 countries and 800 groups of people with their own art and customs. Africa: a population of 600 million. Morocco lies 9 miles across the Straights of Gibraltar (The Pillars of Hercules) to Africa's sister continent, Europe; the largest desert in the world, the Sahara; the world's longest river, the Nile; Victoria Falls, one of the Seven Natural Wonders of the World; the Atlas Mountains, higher than the Alps. Mount Kilimanjaro at 19,340 feet, and the continent's largest lake, Lake Victoria. But, most important are her people—intelligent, hospitable, warm, and eager for friendships.

Tradition is an honor in societies in Africa—I recall being in Saint Louis and hearing a story that has been handed down for centuries. In Africa story telling is an art; often story tellers use animal characters to teach right from wrong. The stories are gentle, informative, and a critical part of the love of the land.

"THE LEOPARD AND HIS SPOTS

"Once upon a time, all the animals lived in clusters of villages in the forest. If one of them lost a family member, they all joined him to mourn the death of the beloved one.

"One day the ant's mother died, and all the animals decided to form a procession and help the ant mourn his mother's death.

"They walked on the footpath, one after the other, and came by an eggplant farm. Everything was ripe and beautiful.

"Now the leopard's favorite food was eggplant or, as we Senegalese call them, gardeneggs. He waited for all the animals to pass the farm so that he could go and eat some of it.

"He was so greedy that he furiously ate almost everything that was ripe on the farm. Then he could eat no more and went slowly off along the path to join the other animals.

"As soon as he left, the farmer came and saw that all the vegetables he was to collect and take to the market were gone.

"He knew all the animals had passed by, so he ran after them and stopped the one leading the procession. He asked whether they knew which of them had taken his vegetables.

"Each animal said, 'Not me'. Each one denied that they went to the farm. Except the leopard, who did not talk. So the farmer came up with the idea of building a bonfire. He dug a hole and built a fire, than asked each animal to jump over it. He knew that the guilty one would be too heavy or too nervous and would jump into the fire.

"All the animals started singing their songs to show they were not afraid. They jumped one after the other.

"The last one was the leopard. He was reluctant to do it. But he knew if he didn't they all would suspect he was the guilty one.

"Finally he started his song and got ready to jump. But as he jumped, he fell right into the fire. The other animals stood there amazed. They knew he was guilty.

"Now he started yelling, howling and confessing that he did it. He rolled on the ground to put the fire out, and the animals tried to help him. But the fire had burnt patches in his fur, some black, some brown.

"That's why the leopard has all those spots."

President Diouf has been a great and noble leader of Senegal. His leadership was recognized by his friend, President George Bush, when the invitation for a state visit to Washington was issued in the autumn of 1991. That visit was indeed a brilliant one. I counted myself privileged to have been at the President's side when America saluted on the south lawn of the White House the arrival of President Abdou Diouf. A footnote to the history of our two Nations and their bilateral relationship will be the historic farewell ceremony at the Monument Grounds at the Ellipse when President Diouf was given a specially designed farewell ceremony of grand proportions.

Under President Diouf's leadership and with his able men and women in his administration, Senegal has made a valiant and successful effort to overcome hardships. I salute President Diouf for his leadership. The cold

war was a debilitating and destructive experience for much of Africa. President Diouf was, and is, a leader in moving Senegal's political and economic forces with the tide of the times. I wish President Diouf and the people of Senegal every success and I look proudly to my promotion in grade of Senegal's highest honor, the National Order of the Lion.•

THE THIRD "SEAWOLF"

• Mr. D'AMATO. Mr. President, the submarine community just received its wake-up call. "Clinton: No Third Seawolf in Budget" was the headline of a story that appeared in the Hartford Courant on March 14, 1993. It's over. The *Seawolf* is dead.

Now what are we going to do? Most submarine supporters had pinned all of their hopes on a third *Seawolf*. In anticipation, the Navy has been a study in obstructionism since termination, objecting to every submarine initiative proposed to provide submarine work. The resultant paralysis continues to this day.

It's time to get off the dime. The House Armed Services Committee markup is 2 months away. We need ideas, good ones, now. It is essential that a submarine be included in the fiscal year 1994 Defense authorization and appropriations conference bills. The ability of this country to produce nuclear-powered submarines is in peril. Once lost, it is unrecoverable. No further President, Congress, or Pentagon, will see the day when new nuclear vendors or shipyards are certified. NIMBYitis will take care of that.

A coalition needs to form quickly around a submarine initiative that will be acceptable to the majority of our colleagues, fit within the budget, and provide relief to nuclear vendors, nonnuclear vendors, and shipyards alike. Otherwise, we will trade away a naval trump card forever.

I ask that the aforementioned Hartford Courant article be included in the RECORD.

The article follows:

[From the Hartford Courant, Mar. 14, 1993]

CLINTON: NO THIRD SEAWOLF IN BUDGET

(By Miranda S. Spivack)

WASHINGTON.—President Clinton's defense budget probably will not include funds for a third Groton-built Seawolf submarine, but high-tech products such as Sikorsky Aircraft's proposed Comanche light helicopter, now on the drawing board, will be funded in this budget plan due next month.

"I thought that at least one more ship should be completed than the [Bush] administration, and then we should in effect transform the operation to produce a smaller follow-on ship." Clinton said Saturday of the Seawolf, now under construction at General Dynamics' Electric Boat division in Groton, Conn.

The president made his remarks in a 20-minute meeting in the Cabinet room with about a dozen Connecticut reporters as he sought to sell his defense cutback and military conversion plan through a series of public appearances and interviews.

He voiced no explicit worries that the deteriorating situation with Russian President Boris Yeltsin might cause him to rethink his defense cuts.

"We are obviously concerned about him." Clinton said. "He represents a passionate commitment to democracy and economic reform. . . . I think we should support that." He said he hoped other democratic nations would step up their backing of Yeltsin, too.

On the Seawolf, Clinton left the door slightly open, but suggested that the nation's submarine builders should look ahead to the next, smaller generation of boats.

"I think it is an open question but I haven't changed my position on it," he said. "The last time I had a conversation about this, there was a general consensus that the design of the Seawolf was not necessary in terms of size, given a declining Soviet threat . . . but that we still need and are quite dependent on submarine technology to maintain our overall military superiority," he said.

During last year's presidential campaign, Clinton voiced support for the Seawolf, though he never said how many he thought should be built. He spoke of the need to protect submarine construction expertise, though he never specifically endorsed Electric Boat as the anointed site. Subs also are built at Newport News Shipbuilding in Virginia, and talks are under way between Newport News and Electric Boat on possible sale or consolidation of the two companies.

A third Seawolf would cost at least another $2 billion, a large sum at a time Clinton is proposing to trim the defense budget by more than $100 billion in the next five years.

Clinton's endorsement of the Comanche, the army's top modernization project, stopped short of support for a particular production plan or schedule. When Clinton was asked about the Comanche at the end of the session, he said he was short on specifics and would provide an answer soon. The White House press office, after conferring with officials at the Defense Department, said Clinton supported "initial production" of the Comanche, which is still several years from coming off the assembly line.

Clinton also spent Saturday morning meeting with reporters from California and Florida, states hit much harder than Connecticut in the administration's proposal, unveiled Friday, to shutter 31 military bases and scale back 134 others, including the Navy's submarine base in Groton.

The morning sessions, which followed Clinton's weekly radio address, excluded most members of the national press corps, who complain that Clinton has offered few opportunities to question him directly since he took office Jan. 20.

Clinton was tieless and clad in a beige sweater and dark sports jacket. He drank from a white mug and answered questions—sometimes talking for several minutes on a single issue—as he sat at a leather oval table in the White House Cabinet room, surrounded by about a dozen reporters from Connecticut news media.

The president stressed his recently unveiled $20 billion plan for defense diversification and tax credits, and he said that Connecticut would receive about $118 million from his separate stimulus package that is designed to provide new jobs for highway, environmental cleanup and community development projects. Each program is subject to congressional approval.

"Obviously those will create a lot of jobs, and some of those will be in the same areas where defense jobs have been lost," he said.

Although Clinton acknowledged that some defense contractors are cool to using military technologies in civilian manufacturing, he said he helped to bring them around. He plans meetings with his administration and defense contractors around the country, saying he wants to get them involved long before contracts with the military expire.

"The thing that has bothered me about this all along is that these contracts have been canceled and then someone comes along and says, "Why don't you think of something else to do?"

"This whole thing has to be coordinated," he said.

He pointed to Sikorsky, a division of United Technologies Corp., for its sales in the civilian and overseas markets, and he cited another, unnamed Connecticut helicopter maker, presumably Kaman Corp. of Bloomfield, for similar diversification.

As for submarine conversion, he said, "I don't know that General Dynamics' options are to know whether that is the right or wrong suit. All I can say is that we are prepared to assist . . . companies that are serious about conversion." But he noted that "submarines have few uses other than military. It's hard to imagine."

He suggested that closing military bases, no matter how painful to communities affected, was the right course for states such as Connecticut because it might save some jobs with defense contractors that have a brighter future if they diversify.

"If you don't close any of them and you have the defense budget going down, it means more reductions for contractors." He said he was committed to maintaining a "very, very high level of technological superiority and military readiness."

Sen. Joseph I. Lieberman, D-Conn., said Saturday he believes Pentagon cuts are moving too swiftly, and he said that building a third Seawolf would be the most "cost-effective way to maintain the submarine industrial base."

But he also acknowledged that if the president does not include the third sub in his budget plan, it will be hard to persuade Congress to fund it anyway.

Rep. Sam Gejdenson, D-2nd District, said that he was not surprised Clinton did not endorse a third Seawolf.

"There is some money already available. . . . It is not impossible but it is a very tough fight," he said.

"it's a long stretch, to get to the next class of boats," Gejdeson said.

Clinton also was asked whether he thought Connecticut should endorse casino gambling beyond the Mashantucket Pequots' complex in Ledyard. He said he was not necessarily the right person to ask because he had grown up in a town that had extensive and illicit gaming parlors until the mid-1960s.

Although he stressed that legalized gambling should be decided State by State, he offered this: "analyze very carefully what the costs and benefits are. It is not a free ride, that's the only thing I will say. . . . It is not an unmixed blessing."•

A TRIBUTE TO LOUISA

• Mr. MCCONNELL. Mr. President, I rise today to pay tribute to the town of Louisa in Lawrence County, a small town located in the rolling hills of eastern Kentucky on the West Virginia border.

Louisa is the county seat of Lawrence County and sits at the junction

of the Levisa and Tug forks of the Big Sandy River. This location brought early success to the town, with the rivers serving as transportation outlets for Kentucky's timber, coal, oil, and gas industries.

Louisa was first settled around 1789 by Charles Vancouver. On the 15,000-acre land grant he received, Vancouver built a fort and farm. He and his men were driven out a year later by native American tribes. Eventually, however, the land was reclaimed by settlers, and Louisa began to grow.

Today, Louisa is a quiet town, void of most of the hustle and bustle found in neighboring cities. Instead, Louisa is filled with charming houses, wide streets, carefully manicured lawns, and historic buildings. Residents are interested in adding to the charm of the town by honoring a local hero. Plans are now underway for the construction of a museum to honor Fred M. Vinson, a Louisa native who was appointed to the Supreme Court by President Harry Truman and later became Chief Justice.

Mr. President, today I honor the people of Louisa for upholding the traditions and values of small-town life, and for their dedication to the town's history. These efforts confirm my belief that Louisa truly is one of Kentucky's finest towns.

Mr. President, I ask that an accompanying article from the Courier Journal be submitted in today's RECORD.

The article follows:

LOUISA

(By John Voskuhl)

U.S. 23 used to go right through Louisa.

And so did a sizable chunk of America's population, it seemed. According to local recollection, it was a hungry chunk.

"There used to be restaurant after restaurant and grocery store after grocery store," said Paul Chandler, whose video store and tanning-bed emporium occupies a 100-year-old building on Louisa's Ricky Skaggs Boulevard.

But Louisa now has a bypass, taking U.S. 23 just west of town. It wasn't long before traffic became too heavy for that two-lane bypass. So a second bypass was built, taking U.S. 23 even farther west and making it four-lane.

And so the inevitable happened. Fewer and fewer travelers found their way off the four-lane and into town. Local shoppers began using the new road to drive a half-hour north to Ashland or south to Paintsville. Louisa lost a few businesses and gained a few vacant storefronts.

As any cardiac patient cay testify, a double bypass tends to slow life down.

"If you wanted to buy a men's suit, you couldn't do it in Louisa," said Nelson Sparks, the Lawrence County attorney, whose family settled in the county in 1821, the same year it was created.

In the many generations since, the Sparkses have watched the county and its town change from a farming community to an early seat of Kentucky's timber, coal and oil and gas industries to a bustling transportation center at the junction of the Levisa and Tug forks of the Big Sandy River.

They've watched the river traffic dry up. They've watched rail transportation dwindle. And for the past few years, they've watched as nearby towns grew while Louisa didn't.

And at least one of them didn't have a big problem with it.

"People always think that if you have a lot of growth and a lot of new businesses and a lot more people coming in, you have a good thing. I don't think that's necessarily true," Sparks said. "I think there is a place in the world for little towns."

Louisa has plenty of pleasant houses, lovely wide streets, fine old buildings and acres of lawns that can only be described as "manicured." Unfortunately, many of the town's trees have also been manicured—trimmed to the point where they sport no greenery. Some have been removed entirely.

Frances Cain, who owns several of downtown's fine old buildings, laments the loss of the trees. She remembers when trees stood on each side of Ricky Skaggs Boulevard—back then it was Main Cross Street—and their leaves formed a canopy over the town's center.

"It was the prettiest town on the river" said Cain, who worked in those days managing the old Garden Theater.

The theater is closed—its lobby houses a baseball-card shop—and the trees have been plucked out or pruned. Cain acknowledged that many needed to be cleared or cut, but she said she thinks city officials went a little too far.

"I think our City Council went tree-happy," she said.

Still, Louisa residents take a measure of pride in the appearance of their town, their homes and their businesses.

For example, on Louisa's outskirts, at Hardin's Used Cars, Helen B. Hardin has established what may be the larger inventory of lawn ornaments in all of Kentucky. She has geese, pelicans, reindeer, cardinals, lions, bears, eagles, turtles, poodles, Saint Bernards, raccoons, pigs, lambs, rams and frogs sitting on settees beneath umbrellas.

She has fake fire hydrants, Roman centurions, Spanish conquistadors and a bust of JFK.

She has a vast assortment of those big, metallic balls that sit on ceramic pedestals; she has gold, silver, green, blue and red balls.

She has an assortment of Madonnas and an array of Jesuses. She has miniatures of Michelangelo's David.

She has Mexican peasants leading burros. She has cigar-store Indians. She has lawn jockeys, both in neutral Caucasian and inflammatory black.

But Hardin declined to discuss her inventory. She had been displeased by a previous newspaper story.

"Called my stuff tacky," she said.

Her husband, J. D. Hardin, who runs the used-car lot, was a bit more forthcoming. He said the lawn-ornament business began about 45 years ago, when his wife dreamed of selling dishware as a way to make extra money. The couple bought about $300 worth of dishes to start and "my wife just went on from there" he said.

Such economic success stories are all too rare in Louisa, according to Howard See an insurance agent who has headed up industrial-development efforts in Lawrence County for nearly 40 years.

The county's industrial park had housed a large carpet mill that went out of business in the late '70s. It's now home to a blue-jeans manufacturer and a produce wholesaler. Yatesville Lake, a man-made lake recently completed by the U.S. Army Corps of Engineers, is expected to draw more visitors to the area.

But See said the community has been slow to foster growth.

"The people of Louisa, as a whole are satisfied to let change come about," See said. "They don't attend meetings very well."

But residents can get stirred up.

Citizens groups rallied against developers who tried to install a hazardous-waste incinerator and against developers who operated a landfill in Lawrence County. After lengthy debates, the incinerator was stalled and the landfill closed.

"You don't think about environmental movements in places like Louisa," said Sparks, the lawyer. "But people here are very committed to those kinds of issues."

Laying contentious issues aside, there's a different reason that keeps Louisa's coffee drinkers from sharing common grounds. The town has two hangouts. Betty's Home Cookin' restaurant, located on old U.S. 23, serves as the hangout for many of Louisa's older residents. Up on the second bypass, a younger group of coffee drinkers has begun congregating at the McDonald's restaurant.

For people like Mike Armstrong, a former Louisa mayor, there's a metaphor in the coffee gatherings. To Armstrong, they symbolize a town in transition, a place where people are torn between old and new, fast and slow, home and away.

More and more Louisa residents are being drawn to the road, to that rolling culture that used to roll through downtown on U.S. 23.

"Sitting in a car and driving 30 minutes is becoming the norm," Armstrong said.

Many folks drive to Boyd or Johnson counties to work, shop, see a movie or eat dinner. A sizable portion of Lawrence Countians travel to neighboring Martin County to work in coal mines.

Cain, the downtown landlord, offered another metaphor. Louisa's downtown, with its fine old buildings, is built over quicksand, she said, because its' so near the rivers. The land at the second bypass, which already has a Pizza Hut and a Sunoco station in addition to McDonald's, is much more solid.

It begs the quesiton: Must the past be lost?

"We used to play on the courthouse lawn—be it football or whiffle ball or whatever," Armstrong recalled. "It was a beautiful, green expanse. Now it's the courthouse annex."

In his office behind the annex, See, the insurance agent, declared that the past never abides for long unless people work at preserving it.

See is one of several Louisa residents who have formed the Fred M. Vinson Memorial Foundation, a non-profit group that's trying to raise money to build a museum to honor the Louisa native who became chief justice of the U.S. Supreme Court.

Vinson served as a congressman and a federal appeals judge. President Franklin D. Roosevelt appointed him director of economic stabilization in 1943, a job that entailed setting prices "from toothpicks to airplanes" to prevent wartime inflation, See said.

Vinson held other posts under FDR, and was appointed secretary of the treasury by President Harry Truman, who eventually put him on the Supreme Court. Vinson's appointment to the Supreme Court made him one of Kentucky's most illustrious statemen, See said.

"Kentucky as a whole should be proud of this man," See said. "He's been dead now 40 years and people have forgotten his contributions because we've let his name die. We shouldn't have."

The history behind Louisa's name has already died.

Some say the town is named after the first white child born at the Tug and Levisa forks. Others contend that it's named for Lousa County, Virginia, the supposed home of some early Louisa settlers. And still other say the name is simply a corruption of Levisa—a theory that's bolstered by the fact that some older residents call their town "Loo-EYES-uh". Instead of the generally accepted "Loo-EASE-uh."

It's clear, however, that Louisa's county was named after Capt. James Lawrence, a hero of the War of 1812, who was fatally wounded in a naval battle.

Lawrence is remembered for his dying order: "Don't give up the ship."

Good advice for a town built on quicksand.

FAMOUS FACTS AND FIGURES

The first lock-and-needle dam in the United States was built across the Big Sandy River at Louisa. Such dams use vertical rods, called needles, that can be raised or lowered to act as valves for controlling the flow of water. Though it's no longer used, the dam is still visible.

The bridge between Louisa and Fort Gay, W. Va., was mentioned in "Ripley's Believe It or Not," a syndicated newspaper feature about odd people, places and things; Ripley's noted that the bridge linked three communities, spanned two rivers, connected two states and had entrances from each of three directions; west, east and south. Believe it or not.

Ricky Skaggs Boulevard, which crosses through the heart of downtown, honors the famous guitar, mandolin, banjo and fiddle player, who was born at Cordell, southwest of Louisa.

Lawrence County settlers kept their towns on a first-name basis in Ulysses, Martha, Wilbur, Clifford, Mattle, Jean, Zelda, Hannah and Ellen. Other nice town names include Overdo, Jettle, Irad, Torchlight and Mazie.

The first white settlement near what is now Louisa was built in 1789 on "the Point," the land between the junction of the Tug and Levisa forks of the Big Sandy River. Charles Vancouver, who had received a 15,000-acre land grant, built a fort and tried to farm. But he and his men were driven out by Native American tribes the next year.•

HANDGUN SHOOTINGS

• Mr. SIMON. Mr. President, once again, I would like to address the issue of handgun violence in our cities. The Chicago Tribune recently ran an article stating that 938 people were murdered in Chicago in 1992. In addition, in the first 11 months of 1992, there were 13,751 nonfatal shootings. Similar statistics exist for our Nation's other major cities.

And while the statistics are astonishing, they do not tell the whole story. The individual victims of the violence present the human side of this ongoing problem. The recent Chicago Tribune article tells the stories of eight of Chicago's shooting victims. Willie Nelson, a retiree, was shot in her home, as she lay in bed. Tina Jones, an 11-year-old student, was shot in her CHA home as she watched TV with her mother. She later said, "I feel bad about it now because we were in our house and I was just shot through the door. If I can't be safe at home, there's nowhere I can be safe."

Mr. President, it is obvious that we can do better in our nation's fight against violent crime. I was recently pleased, during our confirmation hearings of Attorney General Janet Reno, to hear her ideas on integrated approach to fight crime which includes early intervention, drug treatment, and attention to domestic violence. With these initiatives, coupled with tough firearm measures, we can begin to address the violence in our society and finally make strides toward successfully dealing with this enormous problem.

I ask to insert into the RECORD at this point the full text of the January 17 Chicago Tribune article.

The article follows:

WRONG TIME, WRONG PLACE—WHAT IT'S LIKE TO BE SHOT ON CHICAGO'S MEAN STREETS

(By Jeff Lyon)

It is a city awash in blood.

The crackle of gunfire, as much a part of the urban symphony as traffic noise, jackhammers and barking dogs, punctuates the days and nights in certain sections of town. Innocent people are trapped in the crossfire as rival warlords, their henchmen armed to the teeth, battle it out in the streets.

Children are slain on the way to school, some inside the very school buildings themselves. Pregnant women, the elderly, infants, the disabled—it makes no difference to the gunmen, who pursue the slaughter with the recklessness that comes with the suspicion that they are very nearly beyond the law.

The city is not Mogadishu. It is not Sarajevo. It is not Beirut. It is Chicago.

There were 938 people murdered in Chicago during the past year, assuring that 1992 would be the second bloodiest year in the city's history, exceeded only by 1974, when 970 homicides were recorded. The total was already higher than that of 1991, formerly the runner-up for gore.

More than 70 percent of these homicides were committed with guns, according to police. But that statistic does not do justice to the real extent of firearms violence. In the first 11 months of 1992, the number of people shot nonfatally was 13,751, an all-time record.

For a frame of reference consider this: In the first 11 months of 1992, an estimated 2,800 people were killed in Sarajevo, the besieged capital of war-torn Bosnia-Herzegovina. Some 48,000 are said to have been injured, most of them by guns.

Chicago is on a killing and shooting pace somewhere between a third and a fourth that of a city in the midst of a murderous war. It would seem that we need no further proof that parts of Chicago resemble a war zone.

The sheer prevalence of guns is frequently cited as a major cause of urban violence in America. Some experts estimate that there are from 200 to 300 million firearms distributed among the general population of the United States, with some 4 million additional firearms sold annually. Whether this staggering figure is the sole or central reason behind this country's annual toll of more then 26,000 firearm-related fatalities—14,000 homicides, 10,000 suicides and 2,000 accidental deaths—is anybody's guess. But if one lumps together the annual gun fatalities in Japan, Great Britain, Switzerland, Canada, Israel and Sweden, all of which have much more severe restrictions on handgun ownership than ours, they total only a few hundred at best.

Toronto, which like Chicago, has 3 million people and tough handgun laws, notched only 17 firearms deaths in all of 1991. That is because Chicagoans can simply drive to the suburbs or surrounding states to get the guns they desire, but Toronto's citizens cannot.

Firearm injuries cost us $14 billion a year, with more than 80 percent of the burden picked up by taxpayers. Firearms are the seventh leading cause of death nationally and the leading cause of death among black and white teenage boys.

But statistics come without a face, a fact that bothered free-lance writer Stephanie Arena and her husband, photographer Robert Drea. Several years ago, they began chronicling the experiences of Chicago's shooting victims in both word and image for a project entitled "Wrong Time, Wrong Place."

On these pages, eight of these people give their own private account of what it is like to be shot on the mean streets of Chicago.

WENCE EDWARDS

(Dock Worker, Shot Aug. 4, 1991, near the Cabrini-Green building at 1017 N. Larrabee St.)

Walking down Larrabee Street with two friends, on my way to my mother's apartment in Cabrini-Green, I noticed two guys I didn't know, both about 18 or 19 years old, walking toward us. Something about the two didn't feel right. I passed them on the sidewalk, turned around to look back, then faced forward and kept walking. When I turned around again, I saw that one had a gun pointed at my face. I started running, and within seconds the two guys started shooting. I panicked. I was afraid I was going to die. I didn't know I'd been shot. I just ran, and they kept firing. Once I realized I'd been hit in the arm and cheek, I tried to stay conscious. I managed to keep moving until I got behind my mother's building, where I fell to my knees and tried to hole my arm, but my arm hurt too much. I stayed on my knees till the ambulance came. The only thought I had was the pain and whether I was dying.

After the shooting, I identified one guy from police photos. He was probably a member of some gang. They shot me for some kind of gang retaliation—some kind of gang business. The guys with me wore their hats to the right, a sign of being members of being members of a certain gang. I gave up being in this gang, I had a full-time job, then I got arrested and sent to Cook County Jail for robbery, and when I got back to my neighborhood, I got in with the wrong guys. The gang really doesn't have anything to do with getting shot. I just happened to be in the wrong place at the wrong time.

MEEKA JOHNSON

(17-year-old mother of Montanique Jackson, Shot Oct. 22, 1991, at 79th Street and Vincennes Avenue)

Me and my son and my best friend, Julie, and this boy, Leon—we were walking down the street and I was smoking a cigarette, and Leon took the cigarette. Then he put it out, and that made us stop. So I turned around. As soon as I took one step, I got shot, and the bullet hit me so hard I feel to the ground. The first bullet hit me—that's what I think—in the stomach, on the left. It was just darkness. All I thought about was my son because I knew I had him with me. That's why I grabbed him and snatched him down. I had him on my right side, and he just

wanted to run because the gunshot scared him so bad. He didn't know what to do. He was going to run toward them because he didn't know where it was coming from. I snatched him down and grabbed him, right alongside of me so he wouldn't get hit. That the only thing that was on my mind—my baby. I got Montanique.

The boys kept going. My friend who was with me, Julie, she said: "Meeka, get up, get up. You aren't hit. Maybe that was a rock or something that hit you." I was like, "No, I'm hit, I'm hit." She was like, "No, you ain't—I don't see no blood or nothing." I'm like, "Unbutton my pants, pull my shirt up." And there was a bullet hole, the bullet hole was right there. And my baby was crying, telling me to get up, "Mamma, get up," and I said, "I'm sorry, baby, I'm shot," and I just lay down and closed my eyes. I thought I was going to die. It was a .45 bullet, and it's still in me. They can't even get it out. It's two inches from my spinal cord. They say it will never move.

RAUL MONT, JR.

(10-year-old student, Shot Sept. 6, 1992, in Eckhart Park, Chicago Avenue and Noble Street)

I asked my father for an ice cream. He said yes, and he bought it for me. I was holding it, and I got it all over my hands. I washed my hands at the drinking fountain and was walking back. I was walking more toward the baseball players in the park, so my dad told me to move over because I might get hit by the ball.

So he moved me over, and he thought it was firecrackers, so he walked closer to me. But it was a gunshot. I thought it was a rocket; I thought it was firecrackers too. I felt like a rock hit me. I said, "Daddy, I'm bleeding." Then my father was saying, "Call the ambulance." But there's no phone around there, so one of the coaches took me to the hospital. They thought that I was not serious because I walked into the hospital. I was a lucky little boy.

(According to Raul's father, Raul Mont Sr., the bullet lodged within one-sixteenth of an inch of the boy's spine and was later removed.)

When I hear a noise, like a car when it explodes [backfires], I go into something. I was out by Irving Park, and I almost ran into a lady because I heard a noise. By my mother's work, by Humboldt Park, I was walking to the store when I heard a noise, and I ran into the store, thinking it was a gunshot.

Before I go to bed, I think that I'm still alive. I don't want to go to that neighborhood again. I talked to Mom about it. My teacher was saying that I'm going to see someone, psychologist, to talk about it.

PATRICK COLVIN

(Police officer, Shot July 13, 1989, at Loomis and 95th Streets)

The day I was shot I was driving home westbound on 95th Street, approaching the intersection of Loomis and 95th. I looked over at a car on 95th also going westbound, waiting to make a left-hand turn onto Loomis. They had their hats turned over to the right side—gangbangers.

Gangbangers play a game with straight people; it's called a "hate stare." If you happen to look over at them, they'll stare at you with this intense look of hate until you look away.

The guy sitting in the back seat gave me the hate stare, so I just gave it right back to him. The loser of the game is the one who looks away first. So I just stared at them for about 10 or 15 seconds. They finally looked away. I didn't pay any more attention.

The light turned green, their car was in the left-turn lane on 95th at Loomis, I was in the center lane. They pulled up and started to make the turn and stopped. I looked over again, and the guy in the back seat was now leaning up against the front seat with a .22-caliber pistol pointed out the side window. I was even with the rear quarter panel, I wasn't next to him, he shot back at an angle.

All I thought about was, this is how I'm going to die, at the hands of some 16-year-old punk. And when the shot went off and hit me in the chest near my shoulder—because I had thought I was going to get it square in the face, since I was staring right down the barrel of the gun—it hurt like hell, but I knew I wasn't going to die. I knew that right away.

TINA JONES

11-year old student, Shot Oct. 2, 1991, at the CHA's ABLA Homes, 1440 W. 13th St.)

I was lying on the floor in front of the door watching TV. I was watching "Blossom," the show that comes on after "Fresh Prince." I was right there on the floor, and then it just sounded like a big noise out there in the hallway. We got out of the way, and that's when I looked—right here—on my side, and I was bleeding bad. I just looked down and saw the blood.

Then my mama opened the door and said: "Who shot my daughter? Anybody who tries to come in here. . . ." and then she slammed the door. I was thinking, "How bad am I hurt?" I was afraid. I was terrified. Afraid I might be dying. Afraid somebody might come in here and hurt me more. I feel bad about it now because we were in our house and I was just shot through the door. If I can't be safe at home, there's nowhere I can be safe. I was in Cook County Hospital for 10 days. It was painful. It's sore now.

Tina Jones' mother, Fredia Cumberlander: There were a lot of people out there, just in front of the door. Men and women, mostly men though, about 30 people or more. I went out there and said, "Somebody shot my daughter, somebody shot my baby," and everybody started breaking toward my door. That's when I said: "I don't want anybody in here. Somebody just shot my daughter, shot my baby." Somebody said, "Your baby's been shot?" I said, "Yeah, my baby's been shot!" I closed the door, then I opened it and said, "Will somebody please call the ambulance for me?" I thought my baby was going to die because she was shot. We're not safe in our own apartment now.

JAMES CARTER

(Shipping and receiving worker, Shot Aug. 25, 1991, on south Commercial Avenue)

I was on the passenger side in the front seat of a car with my brother, and they just ran up to the car and started shooting. We were at a stop sign at Escanaba or Exchange—I don't remember which—and about 25 people surrounded the car. There were three of us; my brother was driving, and a guy named Carmelo was in the car too. When they started shooting, I just saw my son and my brother in my mind. The guys shooting at us threw up gang signs to indicate that they were members of a certain gang, a gang from the West Side. It was too dark to see if they were wearing hats.

When the shooting stopped, they started throwing bottles and stuff at the car. We'd just come back from a liquor store on 87th Street, and it's a shortcut to pass up Commercial so we can hit South Chicago Avenue. There was already a fight going on, but I didn't see the guys till we came to a complete stop. They thought we were gangbangers. I identified who shot me from pictures, and they've been picked up. I was hit in the neck, and the bullet came out of my chest, but there are two other bullets still in my chest. I have to see a neurologist to see if the bullets are going to stay in or be taken out. I was shot with .25-caliber bullets.

I had an 18-year-old brother who was shot and killed almost instantly. He left an infant son. I have feelings of revenge, but there's really nothing I can do about it; it'd just get worse. In the past I was a member of a gang. I regret it; they weren't doing anything for me. I left that gang about three years ago.

WILLIE B. WILSON

(Retiree, Shot Aug. 19, 1991, at 5817 S. Union Ave.)

I was lying in bed, and I couldn't sleep because a van had pulled up out front and they had loud rap music on. And I was lying in the bed praying that they would leave soon or stop the music. I wanted to be at church on time in the morning. They finally got in the van and closed the door and started the motor. I was in bed with my face to the window, at the foot of the bed, and all of a sudden I heard a lot of gunfire.

At first I thought somebody had lit a package of firecrackers, because that's what it sounded like. I discovered it was a gun, and it went on and on. I was afraid to raise my head because I might get hit with a bullet. Then I felt something that stung my face, and I put my hand up to my face and felt something wet. I got up and turned the light on, and then I saw all the blood on my hands. I called to my husband and told him I'd been shot. My husband called 911. I tried to get some clothes on because I had my night clothes on, but before I could, the ambulance was here and I had to go the way I was. What went through my mind was how bad it was, how bad the wound was.

They opened up with Uzis and 9 millimeters. The policeman said they were stationed on the railroad track, over the viaduct. There must have been someone in two different places because there were two different guns. The doctor at the eye clinic said there were no injuries to my eyeball or to the nerve in my eye. The bullet, a 9 millimeter, is still behind my left ear. When I yawn, it feels funny.

JAMES COOPER

(Cab driver, Shot Aug. 15, 1992, at Rockwell Gardens, 2401 W. Monroe St.)

I had a call on my cab radio to pick up a pregnant lady. As I circled the block, a blue car pulled out in front of me and my car hit its rear right tire. There were three guys in the car. They got out and started talking. They said, "Hey man, you messed up my car, you got to pay." I said, "I didn't mess up your car, you pulled out on me." Then one of the guys grabbed a gun. When I saw the pistol, I got back in my car. I'm saying, "How much you want?" He said, "Give me $200." I said, "I'll give you $50." He said, "Nah, you got to do better." So I say, "I'll give you $75, that's all I got." He says, "OK, I'll take that." I said: "Not so fast. Take this card, sign your name saying that you're OK and we settled."

He's got the gun. He was holding it up, moving it around. At this time he didn't put it in my face. He wrote down, "Solid T." I said, "Hey, you've got to put a name down and say you're satisfied." So he wrote his name down and "OK." I was counting the money out. There was more than 75 bucks; I had about 95 bucks. Then a guy came up and said, "I'll take all of that." I said, "Who's this dude?" This new guy said, "This guy is bull _ _ _ _, start shooting his tires out."

So the guy that he told to start shooting, shot my tires out. He shot out the left tire, BOOM, then he shot the rear tire, BOOM. I'm thinking, "It's out of here, now or never." I threw the car in reverse. I stepped on the gas, and it didn't go anywhere; it shut off. I thought, "I'm out of it now." The second guy with the gun came around the car and opened the door from the passenger side and reached in and grabbed the keys to the car. I tried to stop him because if I'm stranded here, I'm lost, it's over. I stopped him, and then he pointed the gun at me. I grabbed the gun barrel and tried to push it down, and he shot me in the leg once. I didn't really feel it. I saw the blood. I still had a good grip on the gun barrel. I saw the blood sprinkling. Then he shot me again. I felt a serious shock wave go down my leg. So I kind of just steered him back out of the car away from me. Everybody's scattering now. There was a big crowd. We're talking 1:40 p.m., right in there. This guy seemed to be definitely the leader, who shot me. He controlled the situation; by the way he came in, he was in charge. I'd never been shot in my life, and I just couldn't believe it.•

IN HONOR OF NATIONAL AGRICULTURE DAY

• Mr. DURENBERGER. Mr. President, I rise today to pay tribute to the men and women who work every single day of the year to produce our Nation's agricultural products. The farmers and farm families of Minnesota, like all American farmers, are the backbone of the United States. Our Nation has the largest source of cheap, safe, and plentiful food in the whole world. For this reason, we must honor our farmers throughout the year, not just on National Agriculture Day.

Minnesota's 88,000 farmers farm a tapestry of rolling hill country, great stretches of prairie land, and rich valleys that provide a marvelous mix of soils for a variety of agricultural products—wheat, corn, soybeans, barley, sugarbeets, dairy, beef cattle, hogs, sheep, chickens, turkeys, sunflowers, hay, potatoes, flax, rye, red clover seed, timothy seed, mink, wild rice, dry beans, lamb, eggs, sweet corn, green peas, and honey.

Minnesota is the sixth largest agricultural State. The hard work and effort of just one Minnesota farmer provides enough food to feed 101 people—74 Americans and 27 people overseas. Every Minnesota farmer generates four off-farm private enterprises in the State. Over $70,000 per year in cash receipts are generated from one Minnesota farm. And most of that is spent right in town to cover expenses, thus supporting rural small businesses.

American agriculture and food processing provides 21 million jobs, or 1 out of every 6 jobs in the country. Agriculture is the Nation's single largest industry. Farming alone employs 2.1 million people—as many as the combined work forces of the transportation, steel, and automobile industries.

Furthermore, agriculture accounts for 17 percent of America's gross national product. For every $1 billion in agriculture exports, 25 thousand American jobs are created.

Mr. President, the importance of agriculture to Minnesota and to the United States cannot be disputed. On this day, National Agriculture Day, I submit that our Government ought to do more for farmers and rural America.

The median age of a farmer in Minnesota is 48; across the Nation, it is 53. This Government can and should do more to give incentives for beginning farmers. Where will this Nation be in 15 years when so many of today's farmers will retire? Senator GRASSLEY and I recently introduced legislation to provide tax-exempt private agricultural activity bonds for beginning farmers.

This bill should be approved by the Senate early in this session. Aggie bonds are essential if farm loans are to be made for the next generation of farmers. As America sees record numbers of farmers leaving the land and younger generations moving to the cities, the need for tax-exempt aggie bonds is clear. Federal law constricts the use of the bonds for loans to first-time farm purchases and restricts them to a maximum of $250,000 per family per lifetime.

Local lenders are the primary purchasers of aggie bonds, and it is the local community that benefits from the beginning farmers that are funded by them. As farmers are established by this financing, the benefits of this program ripple out to the implement dealers, seed suppliers, and other services in the rural economy. Tax exemption for aggie bonds is good public policy.

This week Minnesota corn, wheat, and barley growers, cattlemen, and input dealers came to my office and impressed upon me the need for their Government to listen to their concerns. Last weekend I held a rural issues meeting in St. Peter, MN, where rural Minnesotans asked me why their Government took their taxes and then invested them in the cities.

Soon the Senate will be debating Btu taxes on energy and an increase in barge fees from 19 cents a gallon to $1.19 a gallon. Between gasoline and diesel to fuel their tractors, propane to dry their grain, fertilizer for their soil, electricity to run their machinery, and barges to ship their harvest, Minnesota farmers will be paying a huge sum into the Treasury. In fuel costs alone, the average Minnesota wheat grower will have increased costs of $2,000 annually. But what will he get in return?

So, Mr. President, on this National Agriculture Day I do not wish merely to devote my time to honoring the hardworking men and women who provide this Nation's bountiful harvest. I also charge the Senate, and the Federal Government generally, to respect the interests of America's farmers as we craft national policies.

What helps America's farmers is helpful to each and every one of us, from country crossroads communities to our greatest metropolitan areas.•

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that all but 15 minutes of the statutory 2 hours of time on amendment No. 183 be deemed to have been used in debate; that the remaining 15 minutes be divided, 5 minutes under the control of Senator KENNEDY and 10 minutes under the control of Senator DOMENICI; that the vote on the Kennedy amendment now scheduled for 9:10 a.m. tomorrow morning occur instead at 9:15 a.m. tomorrow morning, and that the vote on the Grassley amendment now scheduled for 11:30 a.m. tomorrow morning occur instead at 11:35 a.m. tomorrow morning.

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

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess as under the previous order.

There being no objection, the Senate, at 10:27 p.m., recessed until tomorrow, Friday, March 19, 1993, at 9 a.m.