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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

SENATE—Wednesday, January 3, 1996

The 3d day of January being the day prescribed by the Constitution of the United States for the annual meeting of the Congress, the 2d session of the 104th Congress commenced this day at 12 noon.

The Senate assembled in its Chamber at the Capitol.

The Senate was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The hour of 12 noon on January 3 having arrived, pursuant to the Constitution of the United States, the 1st session of the Senate in the 104th Congress has come to an end and the 2d session commences.

The majority leader addressed the Chair.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each.

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

Mr. DOLE. I think leader time was reserved.

The PRESIDENT pro tempore. The majority leader is correct.

A REVIEW OF THE 1ST SESSION OF THE 104TH CONGRESS

Mr. DOLE. Mr. President, I wanted to quickly review the historic 1st session of the 104th Congress, the first Republican Congress in 40 years.

On January 3, 1995, I spoke from this podium and outlined the agenda the Republican Senate would be advancing.

Exactly 1 year has now passed since that day, and as we begin the second session of this Congress, I would now like to offer a progress report to the American people—detailing the prom-

ises we kept in 1995, and the work we hope to complete in 1996.

As I said on the first day of this session, the primary goal of this Congress would not be to pass unnecessary new laws—but instead to remember a timeless one—the 10th amendment to our Constitution.

That, of course, is the amendment that sets out the principle of federalism, stating that “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.”

Shifting power out of Washington, and returning it to our States, our cities, our neighborhoods, and to the American people. That’s what the 10th amendment is all about.

And that is exactly what the 104th Congress has been about since day one—and since Senate bill 1—which put an end to unfunded Federal mandates.

That is what we were about when we passed landmark welfare reform legislation that will give our States the flexibility to design programs that best meet the needs of their citizens.

And that is what we have been about these past few weeks, as we continue our fight for a balanced budget that will ensure a brighter future for our children and grandchildren.

As budget negotiations continue, it is important to note that for as much as this Congress has accomplished in giving Government back to the American people, there is more we could have accomplished—had President Clinton not time and again stood in the way of fundamental change.

In fact, it was President Clinton’s active opposition that prevented the Senate by just one vote from joining the House in sending a balanced budget amendment to our States for approval. And it was his veto of the Balanced Budget Act of 1995 that put us in the situation we are now in.

Had President Clinton not chosen to engage on a campaign to scare the American people, America’s seniors would be beginning 1996 secure in the knowledge that Medicare was solvent.

It seems to me that we have made some progress, but we need to make

more, and whether or not that can be done will be determined, I assume, in the next very few days.

It is also worth noting that President Clinton’s misguided insistence on the status quo has prevented the enactment of much-needed regulatory reform legislation which would ease the burden of Government redtape and regulations on America’s small business men and women.

Let me make it clear that although we are very frustrated with the President’s actions, we have not given up on a balanced budget or on regulatory reform.

Something else we have not given up on is doing everything we can to help law-abiding Americans in the fight against crime and drugs.

In the wake of the terrible tragedy in Oklahoma City, the Senate moved quickly to pass antiterrorism legislation. And at our insistence, this legislation included historic habeas corpus reform, which would put a limit on frivolous lawsuits that convicted felons use to clog our courts and delay justice.

Republicans also included a number of tough anticrime provisions in the Commerce, State, Justice Department appropriations bill. Unfortunately, President Clinton vetoed the bill.

I know that the distinguished chair of the Judiciary Committee, Senator HATCH, will continue to look for ways in which Congress can provide the leadership in the fight against crime that has been missing at the White House.

We took steps to do that just last month, when Speaker GINGRICH and I announced the formation of a congressional task force on national drug policy.

A series of national surveys have shown a very disturbing increase in drug use among America’s youth. Drug use among young people was down—way down—in the 1980’s, when Presidents Reagan and Bush made the war on drugs a national priority. And these surveys show what has happened now that the Clinton administration has all but declared a cease-fire.

The Speaker and I have charged this task force with convening the Nation’s

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

top experts, and coming up with an antidrug action plan which we can implement in the coming year.

Earlier this year, the Speaker and I also asked Jack Kemp to chair a 14-member blue-ribbon national commission on economic growth and tax reform.

We asked the commission to start with a blank piece of paper, and to design a tax system that is flatter, fairer, and simpler—one that strengthens families, and one that encourages savings, investments, strong economic growth, and greater opportunity for all our people.

The Kemp commission will issue its report next week, and I anticipate their recommendations will significantly advance the tax reform debate. Hopefully, these recommendations will lead us to a new system so we can end the IRS as we know it.

We also made substantial progress this past year in our efforts to pass a line-item veto, to bring much-needed reform to America's telecommunications industry, and to restore some common sense to our civil justice system. With our House colleagues, we hope to put the finishing touches on both of these important issues early this year. That is still in conference. It is our hope, perhaps, if there should be a budget agreement, that might become part of the budget agreement. The Senator from Arizona, Senator McCAIN, and Senator COATS, on this side, have worked on this for years, as have many other of my colleagues, too.

We have not given up on regulatory reform. We are just shy of the 60 votes we need; we have 58. We are working with our colleagues on the other side of the aisle because this area affects real people. It costs the average American family about \$6,000 per year. We believe in this case it should not be a partisan debate. So I hope we can come together on that.

I also say with pride that just as this Republican Congress has insisted on returning power to the people, we also have made clear that Congress is not a ruling class that is above the people.

While we were in the minority, Republicans fought for legislation that would subject Congress to the same laws we impose on everybody else. And once we were in the majority, we were able to do just that by passing the Congressional Accountability Act.

With Republicans in the majority, Congress was able to enact into law legislation that will shine additional sunlight into the lobbying process, and we also placed a strict limit on gifts that Members of Congress and Senators can receive.

And with Republicans in the majority, we were able to cut more than \$200 million from the congressional budget—the largest cut in 40 years.

One thing we did not cut, however, was America's national security. Over

the past few years, the Clinton administration has come dangerously close to gutting our national security budget, and this Congress reversed that ill-advised course.

Let me conclude, Mr. President, by thanking all Senators on both sides of the aisle. Our first session was a lengthy one, and at times, the debates have been contentious.

But I believe that all of us can take great pride in the fact that history will reflect we were all part of a truly revolutionary U.S. Congress:

A Congress that kept its promises.

A Congress that fought to change the status quo.

A Congress that succeeded in bringing fundamental change to Washington, DC.

A Congress that, above all, remembered the 10th amendment by returning power to our States and to the American people.

Also, again, I trust that in this session, as it says in the 10th amendment, we will return power to the people.

CONTINUED BUDGET MEETINGS

Mr. DOLE. Mr. President, we will meet again, as the Democratic leader knows, at 3 o'clock, with the President to talk about whether or not we can come together on a balanced budget amendment over the next 7 years, using CBO numbers. I hope that can be accomplished. I think we are, again, serious in what we are attempting. Whether or not it will happen, we will have to wait and see.

We have honored, as far as I know, the so-called blackout. I think we make a lot more progress when none of us are talking to the media. They are all good people, do not misunderstand me, but I think in order to accomplish this very difficult task, we better have an understanding of what it is before it becomes public—not just for our sake, but for the sake of the American people, for the sake of our colleagues on both sides of the aisle. They are going to have to vote on it up or down when and if we reach that point.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. WARNER). The Democratic leader is recognized.

THE 1ST SESSION OF THE 104TH CONGRESS IN REVIEW

Mr. DASCHLE. Mr. President, let me commend the distinguished majority leader for his leadership in the 1st session of the 104th Congress.

Let me also repeat what I said a year ago, when this Congress began: Democrats are willing to work with our Republican colleagues where we can—but we will oppose them where we have to. That is the principle that guided Senate Democrats last year, and the principle we will use again this year.

We all wish we were beginning this new session under better circumstances. Instead, the Federal Government remains closed for the 19th consecutive day. Hundreds of thousands of Federal employees are being forced to go without pay, and millions of taxpayers are being denied services for which they have already paid.

The American people deserve better than this, Mr. President, and this Congress is capable of better. We proved that on a number of occasions last year. We proved that we could work together—Democrats and Republicans, Senate and House—to accomplish something worthwhile.

Today, as we begin the second session of this Congress, I think it is worth reviewing those occasions on which we were able to achieve broad consensus last year.

Second, let's look at the successes we achieved in this Senate when we were able to replace extremism with reason.

Third, let's remember the opportunities we lost last session when we could not work together to do what the American people sent us here to do. In each case, I believe we can learn something that may help us in this session.

One area in which this Congress was able to achieve broad consensus is congressional reform. Democrats fought in the 103d Congress for a Congressional Accountability Act to hold Congress to the same standards we demand of other employers. We fought for lobbying disclosure and a real gift ban. And we fought to put an end to the irresponsible practice of unfunded Federal mandates. We were grateful that our Republican colleagues finally joined us last year in supporting these proposals and passing them into law.

Another important area in which Democrats and Republicans worked together successfully was in helping to secure the chances for peace in Bosnia the right way—by strengthening the NATO alliance rather than shattering it. While the results of our decision cannot be determined immediately, I am hopeful that as a result of our continued cooperation, we can work with the administration to see that our efforts in Bosnia remain a success.

In other areas, we achieved success with smaller—but still bipartisan—margins. These were issues on which Democratic Senators, joined by a few of our moderate Republican colleagues, were able to temper the extremism of certain proposals sent over from the House. Through that effort, we avoided deep cuts in school lunch programs, and we preserved the rights of ordinary citizens to know what kinds of toxic chemicals are being emitted in their neighborhoods.

There are still other areas in which we were unable to reach agreement. These are, in many cases, the lost opportunities of the first session of this Congress. It is my hope that we will be

able to put aside our differences and recapture those opportunities this year.

Perhaps the greatest of these lost opportunities is welfare reform. We had the ability to change welfare, as we say, from a way of life to a way out. We had more than an opportunity; we had a bill. We passed a good, workable bill in this Senate that would have given people on welfare a real chance to support themselves and their families. But we lost that opportunity when extremism once again reared its ugly head in conference. I hope we will have the chance this year to correct that mistake.

Another lost opportunity is the anti-terrorism legislation we passed in the Senate; 9 months after Oklahoma City, that legislation languishes in the House for reasons unknown.

As the majority leader indicated, Democrats opposed the balanced budget amendment put forth last year by Republicans because it would have used Social Security funds to pay off Washington's debts and hide the real size of our deficit. We regard that amendment as yet another opportunity lost. The American people are ready—in fact they are demanding—that we deal with the deficit honestly.

The 1st session of the 104th Congress, represented a number of disappointments. We are disappointed, frankly, that we did not pass welfare reform that promotes work and protects children. We are disappointed that we did not pass a minimum wage law, long overdue. We are disappointed that we did not pass even a minimum health reform package. We are disappointed we did not pass the campaign finance reform bill that should have been passed a long time ago. We are disappointed we did not pass meaningful farm legislation. The farm bill has been pending and we are well into the new crop year and farmers still wonder what the farm policy will be even as they begin to plant for the 1996 season.

We are hopeful in the coming months we can deal with these disappointments in the same bipartisan fashion we dealt with issues from unfunded mandates to Bosnia. I remain willing to work with my colleagues, the majority leader, and all of my colleagues on the Republican side to ensure that we achieve the kinds of successes we are capable of in the second session of this Congress. I yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

The PRESIDING OFFICER (Mr. COATS). The Chair now wishes to advise the Senate under the previous order there was now to be a period for the transaction of morning business not to exceed beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. INHOFE. Mr. President, I ask unanimous consent the period for morning business be extended and the time allowed to each Member be extended to 10 minutes.

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

DEFENSE AUTHORIZATION VETO

Mr. INHOFE. Mr. President, I rise today to express my deep concern over the President's veto of the defense authorization bill and to state very clearly why I am not convinced that ratification of the START II Treaty is in the best interests of the United States national security.

At the heart of both of these matters is the issue of national missile defense and whether we are really serious about defending our Nation and the American people against ballistic missile attack. As I have stated many times on this floor, I am serious about this issue. I think there is no higher priority for our Nation's overall defense posture than the issue of national missile defense.

The threat is a very real threat. I have stated several times on this floor and quoted many people who are the experts who understand and evaluate what the threats are around the world. Certainly, the former CIA Director, James Woolsey, is in a position to know and to evaluate what a threat is to our Nation. That is what he did for a living. He was appointed by this President. He stated that he knows of between 20 and 25 nations that have or are developing weapons of mass destruction—either chemical, biological, or nuclear—and are developing the missile means of delivering these weapons.

In addition to that, we know that North Korea—with its development of the Taepo Dong II missile—is going to be capable of reaching Hawaii and Alaska by the year 2000 and the continental United States by the year 2002. Yet all we are talking about in the defense authorization bill is to develop a national missile defense system by the year 2003, not even meeting the time that missiles would be able to reach the continental United States. Many people like to speak of social programs and priorities almost as if national defense no longer matters now that the cold war is over. Yet I am convinced more every day that the threat facing the United States is in many ways greater now than it was when we had only two superpowers that we could identify. Right now we have Libya, Syria, Iran, Iraq, and many other nations that are developing the kind of destructive weapons and missile technology that pose a direct threat to our country.

I suggest also that when the President and others try to use such terms as "star wars," are grossly misleading the American people, trying to make it

appear not only that the prospect of a real and affordable missile defense is somehow a fantasy but also that the threat itself is a mythical thing that is not real, not something that we need to be even remotely concerned about. But they are wrong, Mr. President. They are living in the past. They do not realize that today's advancing weapons and missile technology are not the same as what they were 10 years ago when they might not have been so imminent a threat affecting our Nation's security. Today it is there and it is not to be taken lightly by those charged with responsibility for defending America.

We have an investment in this country of over \$38 billion in just the Aegis system. The Aegis is an existing system of naval ships that have advanced capabilities for both air and missile defense. For an additional investment of just \$4 to \$5 billion over several years, we could have a very basic and limited national missile defense capability ready to deploy in that short period of time that was called for in our defense authorization bill.

That has now been vetoed. It was vetoed for one major reason, and that is the President stated that it would be in violation of the ABM Treaty. But as others have pointed out previously, the bill was specifically crafted so as not to violate the treaty. Instead, it merely suggested that the President be urged to negotiate cooperative arrangements with Russia to allow us to proceed with necessary missile defense programs.

Now, Mr. President, I think it is important to realize the President is saying that we do not have a high priority on our Nation's missile defense system. The ABM Treaty was put in place back in 1972 during the Nixon administration. The architect of that treaty was Henry Kissinger. Dr. Kissinger at that time felt that this policy of mutual assured destruction was something that was worthwhile in that we had two superpowers and it put us each in a vulnerable position. Since we would not be able to defend ourselves, and the other side would be in the same position, it was thought that this would be some kind of an advantage in providing strategic stability. I did not agree with it at the time but nonetheless that is what was adopted.

I think it is interesting to remember what was stated not too long ago by Dr. Kissinger when we asked him the question, publicly, on public record: You were the architect of the ABM Treaty back when the ABM Treaty was put in place, and you felt this was something that was in the best interests of this country; what about today, now that we have the proliferation of missiles and of weapons of mass destruction? He said it does not make any sense anymore. He said in a direct quote, "It is nuts to make a virtue out of our vulnerability."

Mr. President, that is exactly what we have done when we hold up the ABM Treaty as the cornerstone of U.S. strategic defense policy as this administration has done. The President has stated in his veto message that there is a linkage between the ABM Treaty and the START II Treaty. He says the Congress' determination to proceed with national missile defense "puts U.S. policy on a collision course with the ABM Treaty," and "puts at risk Russian ratification of the START II Treaty." I reject the notion that we should adopt some type of a treaty—in this case the START II Treaty—just in order to protect the provisions of the ABM Treaty.

I am aware that there is broad support in this body for ratification of the START II Treaty. I understand it. I expect the final vote to be overwhelmingly in favor. That vote may be a 98 to 1 vote and I may be the 1, but I would be compelled to speak out and at least let the American people realize how significant an issue this is.

There are a lot of reasons to be concerned about the merits of the START II Treaty. You could talk about compliance, the fact that the Russians' past record does not inspire a lot of confidence. We could talk about verification. Many provisions would be difficult to verify in the very best of circumstances. We could talk about the SS-18 MIRV'd missiles, and the fact that this would not actually do away with the launch facilities for these destructive multiwarhead missiles. We could talk about the downloading provisions and the fact that, in many cases, it does not require that you do away with the missile. It merely requires that you download it. And if you download it, then you can turn around and upload it.

Yet for all of these concerns, I don't seek to go into great detail. But what I will be addressing is what it does as far as the ABM Treaty is concerned and how it impacts our ability to proceed with the kind of national missile defense we need. This is what is most important.

I agree with Dr. Kissinger that the ABM Treaty is something that outlived its usefulness and no longer should be effective today. And, while I respect the views of some of my colleagues who are saying we now have managers' amendments that address all of these problems, I do not think these managers' amendments really do address them. For one thing, they do not change the treaty itself. All they are is advice by the Senate. I agree that those nine provisions of the managers' amendments are good and they make the Senate's understanding of the treaty much clearer. Unfortunately, they are not a part of the treaty.

I think we should recognize, finally, Mr. President, that they underwent some parliamentary elections in Russia on December 17. The Communists got

22 percent of the vote gaining seats and renewed influence. We now have the Communists at 157 seats in the Duma. Then you have Boris Yeltsin's party. Then there is a very interesting individual by the name of Vladimir Zhirinovskiy, from the ultranationalist party that is now No. 3, close behind the party that we were hoping would stay in power.

So it is a changed situation that we have today. And, of course, none of us can predict the future with certainty. But I come back to a simple proposition. Missile defense is among our highest national security priorities. If the President believes this priority must be sacrificed to gain Russia's approval of START II, then I would suggest it is too high a price to pay. This is why I believe it is imperative to resolve the impasse over the Defense authorization bill before we move to final approval of the START II Treaty.

Therefore, today, I am joined by Senator BOB SMITH in sending a letter to the majority leader stating we will object to proceeding to final action on the START II Treaty until an arrangement has been made with the Clinton administration enabling the people of America to be defended against missile attack. I believe this a prudent and justified course of action and I would urge my colleagues to concur.

Finally, if there were other individuals who had been with me in Oklahoma City on April 19, where we observed the results of the most devastating domestic bombing in the history of this country, they might begin to understand what is at stake. There at the Murrah Federal Office Building, we saw the destruction and had heard the cries of the individuals who were in there trapped and injured. And, of course, so many died—169 brave Oklahomans and wonderful people; citizens, who were not guilty of anything. They were killed without warning and without provocation for no apparent reason. This is modern terrorism at its worst. But if you just multiply that tragedy by 100 or 200 or 300, you can only begin to imagine what type of impact a future missile attack might have on a major American city.

The threat is there. The threat is more imminent than many realize. It is a very real threat. And I do not think there is anything this body will be engaged in, in discussing and putting into effect, that has a greater significance for our future security, than developing a national missile defense system.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized to speak in morning business for up to 10 minutes.

A BULLY IN CONGRESS

Mr. REID. Mr. President, first of all I commend Senator DOLE and those

leaders on the other side of the aisle who yesterday made it possible to pass a clean CR. I am sorry we did not do it sooner. I wish it had been done sooner. But I commend and applaud the Republican leadership and those Members of the Senate who allowed this to go forward.

Mr. President, I grew up in a small town in southern Nevada. When I was in the eighth grade, there were six kids in the class. That was one of our bigger classes. In the school at that time there was a bully. He was an eighth-grader and everyone in the school was afraid of him. If they were not afraid of him they worked something out with him, so that they could live with him.

We rarely had new people come to school there, but there was a young boy who came to school, an eighth-grader, somewhat small in stature, who came from someplace in Arizona. His name was Gary. He was a quiet young lad. And he was pushed around by this bully for 3 or 4 days, a week, 2 weeks. Finally this young man said I have had enough of this and we are going to settle this. And this young boy agreed to fight the big bully. Everyone knew the bully would win, everyone except Gary. And they engaged in fisticuffs and the young man, like one of the heroes in the books we read as young kids, won the fight. The bully was all through. He no longer pushed anyone around.

The reason I mention that, we kind of have a bully running around Congress. It is in the form of 73 Republican freshman Congressmen. They have suddenly gotten the stature that they can push everybody around. Mr. President, there are 535 Members of Congress, 435 House Members. It seems to me that leaves about 360-plus Members of the House who should be able to do pretty much what they want to do. Mr. President, 73 should not be a bully make; 73 should no longer be able to push a body of 535 people around. The time has come, as when Gary came to Searchlight Elementary School many, many years ago, to stand up for what is right.

What is right is to allow people to go to work and to be paid for working. I think it is absolutely unreasonable and unconscionable that the American taxpayer would be told: Yes, we are going to pay these people someday in the future. We are going to pay them, but they do not have to work for the pay.

Please, somebody tell me how that is rational? How is that reasonable? We are saying, "Go ahead and stay home, do not work, and we will pay you anyway?"

Or, we have another deal floating around. You can come back to work but you cannot buy any pencils, cannot buy any gas for cars. You basically cannot do anything.

Mr. President, I suggest that people of good will, both Democrats and Republicans, should follow the lead of the Republican leadership in the Senate,

what took place in this body yesterday, and do what is right. What is right is to pass a clean CR and get on with our business. Allow people to go back to work.

Some people say an ongoing Government shutdown is a good thing. I say, tell that to people who want to get a visa to come to the United States. Thousands of them every day want to do that and they cannot do that. Does that matter? Of course it matters, because those people who come here spend around about \$3,000 in businesses and retail stores around here. Students trying to get home need to have paperwork processed in our Embassies overseas, and that cannot be done. Foreign exchange students want to come here to study. They cannot do that.

One Member of this body suggests that no one even noticed the shutdown and we ought to keep the Government partially closed. I say that is foolish. Whoever said that has not been out of the beltway long enough. Say that, that the Government shutdown does not mean anything, to Meals on Wheels. What is Meals on Wheels? Meals on Wheels is people who are shut-in's, and they are allowed to stay at their homes as a result of Meals on Wheels. If Meals on Wheels is shut down, these people are going to have to go into rest homes, extended care facilities, and cost the taxpayers even more. Meals on Wheels allows people their independence, their ability to stay at home. But for Meals on Wheels, our rest homes, our convalescent centers, our extended care facilities would be burdened even more than they are.

For someone who says we ought to keep it shut down, what about our Superfund cleanup sites? We have now Superfund cleanup sites that are being cleaned up. We just had a big celebration because the final Love Canal payment was made. We have 30 Superfund cleanup sites that are going to be shut down in the next 24 hours; shut down. That not only involves stopping the cleanup, it costs a lot more money to get them cranked up again. So people do care if the Government is shut down. They care about the thousands and thousands of people who cannot go to our national parks. They cannot go fishing, and small retail merchants at entrances to these parks are screaming for help. They depend on these national parks to earn a livelihood.

This shutdown has nothing to do with agreeing to a balanced budget. We could go back to the process of the appropriations bills which were not passed. We could pass blame on why they were not passed. The fact of the matter is they were not passed, and there is no reasonable, just cause for this Government shutdown and not allowing people to go to work. In fact, we are paying them anyway.

Agreeing to a balanced budget plan and allowing the Government to oper-

ate are two entirely separate issues. There is simply no linkage. There should be no linkage. Attempts to make one solely contingent upon the other is really a form of legislative terrorism. The Federal workers are being used as negotiating chips. In order for one side to be able to declare unconditional victory, these people are being used as pawns. This simply is not right. They are not part of the best equation leading to a balanced budget, and it ought not to stop them from going back to work.

What is the current impact of the shutdown?

Six hundred thousand elderly Americans may lose their Meals on Wheels. That is a large number of people.

States have lost \$74 million in grants for child protection programs. Child protection programs, this is not welfare. These moneys are used to deal with more than 2½ million cases of child maltreatment each year.

Eleven States have exhausted their funding for unemployment insurance.

The Federal Housing Administration is unable to process 2,500 home loans and refinancing each day of the shutdown. There are 2,500 each day.

More than 1,000 workplace safety complaints have gone unanswered. We receive an average of about 240 calls each day to EPA's hotline for drinking water contamination information. We have people who are complaining that their water is contaminated. These are calls going unanswered.

Five other hotlines which receive thousands of calls each month are shut down, depriving the public of potentially critical information on pesticides, toxic substances, asbestos in schools, and other public health information.

Three hundred and eighty-three thousand people each day are being denied access to our national parks—almost 400,000 people a day. And some say it does not matter?

As Senator DOLE said yesterday—enough is enough. It is time to end this folly and stand up to this bully. A few jabs and a left hook would end them real quick.

This, Mr. President, should end immediately. The bully should be put down, and put down quickly.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

THE REPUBLICAN LEADER

Mr. WARNER. Mr. President, before the distinguished Senator departs the floor, I would like to say how much I personally appreciate his remarks regarding the Republican leader, Mr. DOLE. I was with Mr. DOLE throughout the meeting of 2½ hours yesterday, along with the Speaker, Mr. GINGRICH, Senator DOMENICI, House Budget Chairman KASICH, House Majority Leader

DICK ARMEY, and others. In my judgment, he has been a pillar of strength throughout.

I also extend my remarks to the distinguished Democrat leader who has worked with Senator DOLE here in the last 48 hours, and many Members on both sides.

I think the Senate should stand with great pride as to how it has met this tragic shutdown in the Federal Government and the ripple effect throughout the private sector, so that it just is not the Government employees.

I will also address other matters from my constituents here momentarily. But I wish to thank the Senator from Nevada for his remarks about our distinguished leader.

FINANCIAL SUPPORT FOR FEDERAL EMPLOYEES

Mr. WARNER. Mr. President, this morning in my office Congressman WOLF, Congressman DAVIS, and Congresswoman MORELLA joined—and we now have met several times a day—to try to provide our respective leadership here in the Senate and in the House, together with our colleagues from Maryland.

I note the presence of the junior Senator from Maryland on the floor, as well as yesterday the senior Senator from Maryland, and Senator ROTH also.

We worked here as a group because the greater metropolitan area of Washington is probably the most severely affected as a consequence of this Government shutdown. Not only is there a large number of employees—perhaps as high as a half million—who are working at their jobs without pay, but there are some 260,000 to 280,000 who are furloughed and not able to report to their offices for various reasons.

I also wish to mention that at 1 o'clock, and I shall be departing shortly to join Members of Congress, Congressman DAVIS, Congressman FRANK WOLF, and Congresswoman CONNIE MORELLA, and others, to meet with the various members of the Federal Employee Education and Assistance Fund. This is under the leadership of Jerry Shaw, a nationally known individual with Federal employees, currently the counsel for the Senior Executive Association.

We are coming together, the Members of Congress, to encourage others—those who can—who will pledge some personal financial support for Federal employees receiving short paychecks. This is becoming a crisis.

I commend the Federal Employee Education Assistance Fund for doing this. This is a private member of the Combined Federal Campaign assisting Federal employees in dire need during the shutdown with interest-free loans for rent, mortgage, utilities, and food. The charity is in danger of running out of funds without additional contributions.

I am happy to join with others to try to make our contributions to help them.

Attending this 1 o'clock meeting will be representatives from the Federal employee organizations represented on the board of directors. Among them include the Senior Executive Association, the National Treasury Employees Union, the Federal Managers Association, the National Federation of Federal Employees, and the Social Security Managers Association.

THE BUDGET

Mr. WARNER. Now, Mr. President, I would like to make reference again to the problems here. They are all well known to Members of the Senate, particularly those of us who have been here the last few days as the Senate and the House began to resume activities.

We are still hopefully waiting for the President's budget message showing us the balanced budget. We are at an impasse because we do not have an agreed-upon budget, but a 7-year balanced budget with the Congressional Budget Office numbers seems to be agreed upon by both the President and the leadership of Congress. So I am hopeful that will be forthcoming.

I think the American people are looking to the Congress now for leadership. I again commend the leadership of the Senate and many others who are participating.

I hope—and I say this with a long pause—but I hope that the same leadership can come from the Speaker of the House and others to realize today the need to pass a continuing resolution for these employees governmentwide. In addition, we have a crisis here in the Nation's Capital, the District of Columbia. That also requires a continuing resolution which I hope will be acted upon favorably today.

But the Federal Managers Association newsletter which arrived in the Senate offices this morning graphically portrays the ripple effect of this problem. I am reading from a paragraph of that letter.

Social Security Administration: On a normal day the SSA's 1-800 telephone number receives about 250,000 calls. Today, the SSA expects to receive 2 million calls.

I repeat, Mr. President: 2 million calls.

Managing this task is that volunteer group of Federal employees who are coming to work without pay.

It is interesting, but tragic to note, that a number of the managers, the senior executives of the Social Security Administration, and indeed the Veterans' Administration, are making loans from their own budgets to some of the lower paid employees to enable them just to meet transportation costs to come in, and to work with this volunteer group.

Some of the lower paid Social Security Administration workers are telling their managers they can no longer afford transportation costs to get to work to answer the 2 million calls.

I wish to commend the can do spirit that is prevailing throughout the Federal Government to try to provide these services to needy people.

Back to the Veterans' Administration.

They are caring for those who serve this Nation in the time of our greatest need. And now the managers again are working with the lower paid employees, the local banks, guaranteeing loans to secure the needed funds just to get these employees over this period which I hope will come to a conclusion today. And from my own State the switchboard is off the hook. We are there in my office together with other Senate offices taking these calls. I wish to pay special tribute to those in my office, Anna and Patty and Todd and Doreen, all of whom have been by the phones throughout the day and well into the evening to take calls such as the following:

My name is Brian Rothermel, a heart transplant recipient. I am a member of a 7-person team from the United States scheduled to go to France to participate in the "2nd Winter World Heart Transplant Games" along with participants from 38 other countries. I have been unable to get my passport due to the Government shutdown. My flight is to leave out of New York on a chartered trip to France on January 5. Please give me help.

From the Handicapped Placement Service—this is a volunteer organization which helps handicapped persons obtain jobs and work in the Federal Government—dated December 28:

DEAR SENATOR: Many of our employees are being hammered by the budget impasse. Because our employees are contract staff rather than Federal employees, they received no wages during the last furlough. The impact from that stoppage was over \$11,000 in wages lost to our employees. As you know, over 80 percent of our employees are people with disabilities and most cannot afford lost wages.

This story goes on and on, Mr. President. I ask unanimous consent that I may have printed in today's RECORD other communications from people seeking help from my office as well as other Senate offices.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FAIRFAX OPPORTUNITIES UNLIMITED,
December 28, 1995.

HON. JOHN W. WARNER,
Russell Senate Office Building, Washington,
DC.

DEAR SENATOR WARNER: Many of our employees are being hammered by the budget impasse. Because our employees are contract staff rather than Federal employees, they received no wages during the last furlough. The impact from that stoppage was over \$11,000 in wages to our employees.

As you know, over 80% of our employees are people with disabilities and most cannot afford to lose wages. They are not paid at the

same level of pay and benefits as Federal employees, and so the impact is very real and significant. Our organization, as a non-profit, is obviously not in a position to be able to protect people financially as the impasse drags on.

We currently have people out of work at EPA, FBI, Commerce, and GSA and we received notification yesterday that 10 people at a second EPA site are being sent home today. The impact for all of these folks is potentially far greater than the first shutdown (which affected more people but was resolved relatively quickly).

I know that you and other members of our Northern Virginia delegation have been very active in protecting the interests of our local Federal employees. If there is any way that contractor staff, most of whom are at greater financial risk because of wage and benefit differentials, can be protected in this round of reviews, please help make that happen. In any case, anything that can help speed resolution of the current differences will help minimize the significant financial losses that our employees are in the midst of trying to cope with.

Thanks so much and a happy new year!

Sincerely,

JANET SAMUELSON,
President.

January 2, 1996.

DEAR SENATOR WARNER: We are two federal employees who believe in the Republican values of individual responsibility, family responsibility, and service to country. Accordingly, one and five years ago respectively, we left lucrative private employment to return to federal service. We have a home, just completed putting one daughter through college, and now have two attending college. This week a mortgage and two sets of tuition, room and board, and textbook bills had to be paid. In short, we gladly go in each weekday to work hard in federal service, then return each night to family life with its rewards, responsibilities and financial obligations.

In the private sector it was a given that one's employment and financial welfare were directly related to performance and output: work hard and produce, and you are rewarded. In the federal workforce, however, we are reliant on the President and Congress for our employment and financial compensation. We depend on you and your colleagues. Consequently, we ask you to stop the shutdown and allow us to go back to work with pay.

We believe a balanced budget is important for the country, but we believe reasonable people can accomplish this and allow the government to work at the same time. In the next pay period, we will embark on serious financial problems through no fault of our own. We hold the President and Congress responsible and we ask you to put us back to work now. Anything else will undoubtedly result in an anti-incumbent bias within the federal workforce, regardless of past party affiliation.

VERN AND MARY ANN BETTENCOURT,
Burke, VA.

YORKTOWN, VA, December 29, 1995.

DEAR SENATOR WARNER: I am writing you to express my concern with what is happening or not happening in the Congress concerning passage of the federal budget. First, let me state that I agree with trying to balance our budget. It has gone for too many years in the red and something should have been done years ago! Get rid of unnecessary costs, and there appear to be many, but keep

what is necessary to keep our country the great nation it has become.

Next, I'll let you know that I have been employed for twenty years by the federal government as a medical technologist either with the Department of Defense or currently with the Veterans Administration. I have always been proud to serve our military and now our veterans. However, it is a disgrace to our country the behavior of those in power in Congress. It has been difficult working under the conditions you expect us to work under, not knowing whether there is money to order necessary supplies to cover testing for our veterans. Now, I have learned that we will not be paid for one of the weeks we have already worked!! I will continue to work until it is necessary because of financial constraints to seek employment elsewhere. I was not furloughed, I worked. The ones who were furloughed should be allowed to take their leave, not cost the government more money by being granted authorized absence as occurred previously. This nonsense occurring in Congress is supposedly for my best interests! I wish you could witness the havoc occurring in the time keeping departments and payroll at the Veterans Administration, not to mention other federal agencies. How many millions of dollars are being wasted because of furloughs and shut downs? I urge you and other Congressmen to settle this dispute about our budget. Do what is best for our country, pass a balanced budget, but do it promptly!

Sincerely,

CECELIA J. GENGE.

ALEXANDRIA, VA.

My name is Brian Rothermel, a heart transplant recipient. I am a member on a seven person team from the U.S. going to France to participate in the "2nd Winter World Transplant Games" along with participants from 38 other countries.

I have been unable to get my passport due to the Government shutdown. My flight is to leave out of New York on a chartered trip to Pro-Loup, France, on January 5, 1996. I have been actively raising money through donations from companies, organizations and individuals to help defray the cost of the trip.

The National Kidney Foundation out of New York is the U.S./organizer of the event and all of the money raised goes to them as a tax deduction.

I am a key member on the team and will be severely devastated if I am unable to go. Please help me in my "quest for gold" and let me get my passport. Thank you for any assistance or consideration you can give me.

BRIAN ROTHERMEL,

Mr. WARNER. I thank the Chair. I close by once again commending the leadership in the Senate and other Members who are actively working today and tomorrow and right on into this week to try to resolve this tragic impasse.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

NATIONAL DISGRACE

Ms. MIKULSKI. Mr. President, I, too, am pleased that the Senate passed a continued funding resolution which puts the Federal Government back to work and puts money into pay stubs for all Federal employees. I commend the Republican leader for doing that,

and I am proud of the fact that the Democratic leader has also been offering those continuing resolutions. I am relieved that we have finally taken positive action to put an end to this national disgrace and the shameful way we have treated our Federal employees.

I thank everyone who worked on this continuing resolution that has passed, but I am here to say that we need more than a continuing resolution. We also need to repair the damage that has been done.

Mr. President, I represent a shutdown State, as does the Senator from Virginia. What does a shutdown State mean? Of the hundreds of thousands of Federal employees that are furloughed, many of them are in the State of Maryland. I represent flagship agencies. What are those flagship agencies? One is the National Institutes of Health, 13,000 people working around the clock to find the cure and containment of disease and they are furloughed. I represent the national space agency at Goddard, the Social Security agency, the responsibility of which is to respond to the needs of the elderly in terms of getting out their Social Security benefits; the health care finance agency, the National Institute of Standards. I could go on and on.

I can tell you as I have been out meeting with them, visiting with them, talking with them, they know they are out of work, they are out of money, and they are out of patience. For those workers who have been declared essential, what the American taxpayer should know is that although someone has been declared essential does not mean they are getting paid.

What are examples of the essential employees? Those are FBI agents, the DEA agents, the drug enforcement agents. This morning I met with the FBI team in the Baltimore area. They are on the job. The drug dealers are getting paid. Burglars are getting theirs, the bank robbers. But the very people we rely upon to track down the criminals in the United States of America are not getting paid. They are there. They are working. They have every right to be paid.

I was at the VA hospital in Baltimore this morning, speaking to the nurses, the physical therapists, the physicians, the support team. They are there making sure that every veteran is cared for. They are giving their time and their life's blood, but those doctors, those nurses, are not being paid.

Mr. President, that is a national disgrace. When you talk to constituents as I have, they say to me: Why is it that we can have peace talks for Bosnia and get it done? Why is it that we can have Mideast peace talks and get it done? But why is it we cannot have budget peace talks and get it done?

I do not know. Maybe we have to take the entire Republican and Demo-

cratic leadership including the President and all of us and go down the Wye River and try to get this settled. We need to be very serious about this.

Yesterday, when I was at the Social Security Administration, I spoke with the workers there. They want to work, they want to earn their pay, and they want to pay their bills. And you know what. They are absolutely worried. They are worried about how they can meet their responsibilities while they are trying to answer the phone calls and do the other work that Social Security requires.

This morning, when I met with those FBI agents and met with the nurses at the Social Security, I heard incredible talk, stories. At the VA hospital, I talked with a nurse who has come into the job without fail to save the lives of veterans and they themselves have no money for their mortgage. They have no money for their car payment. They have no money for their child care. They worked Christmas Day. They worked New Year's Day. Many of them worked the night shift and therefore are paid a premium for that. They are also prohibited from getting any type of second job because they are essential employees. How can we turn our backs on these men and women?

They have given me letters that they want to go into the CONGRESSIONAL RECORD talking about how they continue to work and continue to care for the sick and care for the dying and they want to know who is going to care for them.

I have a letter from one Federal employee who talks about how, while they have no pay, they are raising money for those who are also out of money. I have another letter from a nurse who has dedicated her life to the sick. I ask unanimous consent that these letters be printed in the RECORD, because I want everyone to know the consequences of this.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BALTIMORE, MD.

HON. NEWT GINGRICH,
Speaker of the House of Representatives, House
of Representatives, Cannon House Office
Building, Washington, DC.

DEAR MR. SPEAKER, I am a Federal employee at the Baltimore VA Medical Center, the wife of also another loyal Federal employee who works for Ft. Howard VAMC. Together we support 2 children, and assist my elderly mother. Our mortgage alone is greater than ½ our pay. It seems clear to me that no one serves to profit from this political struggle over the budget. Remember you cannot have everything, so start by prioritizing the most valued needs for the good of everyone. I struggle with the thought that Congress and our President no longer care about what happens to us, and that the decisions to allow other Federal employees to be punished for your inability to perform your job, makes me cringe with fear. As for my case, the risk of losing my home and those things I have worked hard for is incomprehensible when you in the midst of

disaster took a vacation. It makes me worry that if our country was threatened by other beings, would you hinder and jeopardize our existence. What you are doing is WRONG . . . It's wrong morally and ethically and you, the entire Congress and President should know that team work is what built our country. Divided you will be conquered, United you will build the new generation, much stronger and able to lead us through more challenging endeavors.

There has been no negative outcomes directly affecting you, and why??? Have you created a Them and Us? It is time to earn your keep? Help me, my family and make the RIGHT choices. You were selected for your expertise and administrative skills to manage this task. As we approach the feast of the Three Wise Men, let God send the Holy Spirit to make wise decisions now.

I came to work for the Federal Gov't 6 years ago searching for job security, a little premature. I think the Gov't strategies and methods have to move toward rebuilding a model that meets the needs of this day and age. If you want a budget passed, make it contingent on the salaries of those who must decide this process. It appears that the rules to this game are mixed up and with every passing day, you leave Federal workers with the thought that they are not important. The long term effect is a work force that has little motivation and a lot of anger and resentment. Trying to remotivate staff AIN'T EASY.

I guess I personally want you to hear how it feels to be one of the Federal employees. It's like the story "JUNGLE BOOK" when the little boy raised by animals in the jungle walks into a room filled with the stuffed heads of game, and starts to tear. He says if this is civilization, let me stay an animal, we hunt for food, you hunt for game. . . Unfortunately, the behavior of you leaders isolated out the Federal Employees (and select groups of them), making us the game. It really hurts to part of them right now. I guess I believed in the UNITED States of America. Unite now, work diligently to restore our confidence for this country.

Yours Truly,

MARLENE SIEMEK.

MIKE HOLY, R.N., M.S.,
Baltimore, MD, January 3, 1996.

HON. BARBARA MIKULSKI,
Senate Office Building,
Washington, DC.

DEAR SENATOR MIKULSKI: I am a registered nurse, employed at the Baltimore V.A., once furloughed back in November, and now, since December 15th, presently working without pay. I have repeatedly over the past few weeks heard derogatory and mean-spirited comments directed at the federal workforce from a variety of sources. The latest, and what I would consider one of the most reprehensible, came this past Sunday, when on Meet the Press Phil Gramm asked, "Has anyone really missed the federal workers?"

Perhaps, Ms. Mikulski, Mr. Gramm has not "missed" the workforce because, dedicated to the mission, and despite the lack of pay, they continue to come to work, continue the mission, and in the case of the staff at Baltimore's V.A., continue to minister to the needs of our country's veterans! I would challenge Mr. Gramm, or any of the other detractors of the federal workers, to produce comparable examples of such dedication in the private sector.

I would like to share with you, in the hopes that you may share with others, one addi-

tional example of the dedication to the community which is evidenced here at the Baltimore V.A. Just five days before Xmas a thirty year old mother of five lost her life in a tragic vehicular/pedestrian accident. Hearing of the news, and the five orphaned children, and aware of what the pay situation would be regarding their own forthcoming paychecks, in a period of just two and a half days V.A. employees contributed and raised one-thousand-fourteen dollars (and thirty-five cents) for the family. The money was hand delivered to a local radio station, to be given to the family, that Friday afternoon, three days before Xmas. Such, Ms. Mikulski, is the "stuff" of which the Baltimore V.A. employees are made!

I share with you the above, again, in the hopes that you may share it with others who may be unaware of the caliber of the people involved. In spite of the politics within the Washington Beltway, at the Baltimore V.A., the mission continues—"Putting the Veteran First!"

Thank you for your continued efforts and advocacy on our behalf!

Sincerely,

MIKE HOLY, R.N., M.S.

Ms. MIKULSKI. The Senator from Virginia also talked about phone calls. I have hundreds and hundreds and hundreds of phone calls coming into my office. We have even had to bring in, in some very emotional and highly charged situations, a suicide intervention team because of the desperation that we are facing.

Not everybody is a high-paid Federal employee. One of my constituents, one of the nurses, got a paycheck yesterday for 7 cents—7 cents—after all the deductions were taken out. Another cannot pay her car insurance, and she is not getting paid, and she needs to drive her car to work. I have another Federal employee who is deaf, cannot pay her rent, and they are not accepting the fact that she is furloughed.

These are real stories about real people. And why are they not getting paid? They are not getting paid because some refuse to pass a continuing resolution until we pass a balanced budget. Sure, we want to pass a balanced budget, but we also need not destroy civil service. And while the civil servants are on the job, the Federal contractors are also losing their wages.

Who are they? They are people like the cafeteria workers at NASA who work at the minimum wage. They work for a contractor. They are never going to get caught up. They are the small businesspeople who, again, are Federal contractors and are not being paid. There are people like the small business lady who has a small photography shop outside of the Baltimore passport office. Because there are no passports, nothing is happening. She still has to pay her rent. She has lost 75 percent of her business.

Mr. President, this cannot go on. This is why I am pleased that the Republican leader passed a no-frills, get-back-to-work continuing resolution.

Today I hope that the House of Representatives passes this bill. I am ap-

palled that the House of Representatives is stalling and is hinting that they will not pass this. We must end this financial nightmare for nearly a million Federal employees and contractors. They want to be back to work. For those who are working, they want to be paid. Let them have the pay that they have earned.

If this does not work, I will come back and offer a CR myself. We need to stop playing games with people's lives and get down to business. It is time to stop holding Federal employees hostage.

Mr. President, in conclusion, I have a great deal of respect for the Senate, and I do not want to engage in any histrionics on the floor. But yesterday the Social Security workers, those who want to answer those hotlines, those that want to deal with the million-person backlog, gave me a lock. They gave me a lock, and they gave me some chains. What did they do as a symbolic thing? They wanted to lock us in and chain the door until we get the Government back to work. They want us to go back to work, balancing the budget of the United States.

So, Mr. President, I hope today that the House of Representatives passes this continuing resolution and that the leadership can come to a resolution on this budget crisis. I thank the Chair, and I yield back such time as I might have.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

THE BUDGET AND ENTITLEMENT SPENDING

Mr. GREGG. Mr. President, I rise to address what I think is a farce. Obviously, we are hearing about what are some very significant individual concerns and legitimate individual concerns about Federal employees who are being put through significant stress as a result of their inability to be paid, which I would note in many instances, such as the FBI and the DEA, result from the fact that the President vetoed appropriations bills which would have funded those agencies.

But independent of that really personal and traumatic event which is occurring for many Federal employees, there is a much more significant event occurring here which is the question of how, after 26 years, we begin to put fiscal discipline into the Federal Government. And that has a lot of stories, too, a lot of personal stories.

In fact, in our Nation today where there are approximately, I guess, 50 to 70 million children, depending on how you define a child, every one of those children are a personal story of the fact that we have not balanced our budget. A child born today will have to pay almost \$170,000 just in interest during their working lives in order to pay

out debts which our generation has put on their backs. That is a pretty big bill.

Just 2 weeks out of work is a big deal, too. Nobody wants to put people through that burden. But what we are doing to our children as a nation is even more significant. So what is really the core issue of this debate is how we straighten out our fiscal house so that we do not end up passing on to the next generation of Americans a country without an opportunity for prosperity, and that comes down to being responsible in the managing of our Government.

I want to talk a little bit today about what I would perceive as being a responsible solution to this balanced budget event, because we are hearing a lot of discussion and a lot of debate about how this should occur or how that should occur. But let me just note there are a few benchmarks upon which we can evaluate whether or not there has been success in getting under control the Federal spending, the rate of growth of Federal Government and, therefore, the opportunity to bring under control the Federal debt burden that we are passing on to our children.

The real benchmark of this exercise is not quite honestly whether we meet a technical balanced budget in the year 2002, although that is absolutely critical that we do that, because such a balanced budget can be reached, unfortunately, through the adjusting and tinkering with assumptions. For example, if you change what the estimated inflation rate is over the next 7 years by just a percent or you change the estimated rate of revenues by the Federal Government by just a percent, you adjust by hundreds of billions of dollars the amount of money flowing into or out of the Federal Government. As a result, you can reach balance.

Of course, assumptions have been part of the debate. That is why we have insisted there be a core score of assumptions called the Congressional Budget Office. But that really is not the essence of how you resolve the issue, because the essence of how you resolve the issue is what structural changes, what changes have you made in the way this Government functions that will guarantee or at least give us significant hope that we will be able to bring under control the expenditures of Government or the rate of growth of the expenditures of Government in a manner which will allow us to be able to afford the size of the Federal Government over the next 7, 10, 15 years.

If you are going to address that issue, it is not so much reaching a balanced budget, it is the programs that drive Federal spending. So as we evaluate the process of reaching a balanced budget and what is occurring at the White House, I suggest we look at a few issues because those are the issues that are going to really determine whether or not we are successful.

It is not so much whether the numbers that are put on the table after this meeting at the White House, which hopefully will be successful, is arrived at that say, yes, there is a balance by the year 2002; it is not so much those numbers that are important, it is the programmatic activity that underlies that.

In this area, the core issue is the issue of entitlement spending. Entitlement spending are those programs which people have a right to have the Federal Government spend money on them because of their physical situation, their financial situation, because of their situation in their lifestyle. Those entitlement programs are the core problem that is driving the Federal debt.

In fact, in the year 2015, all the revenues of the Federal Government will be absorbed by the entitlement programs. We will not have any money to spend on national defense or cleaning up the environment or having better schools. We will be spending everything just on entitlement programs.

So the issue of whether or not we are going to bring under control Federal spending and whether or not we are going to be able to pass to our children and this country a fiscally solvent one versus one that is bankrupt, and whether our children will have an opportunity for prosperity really comes down to how we address these entitlement programs during this process.

In doing that, I think we can score the activities by looking at a few specifics. If the proposal that comes out of the agreements or the discussions which are now going on with the White House—assuming there is a proposal; and I certainly hope there will be—but if such a proposal does not aggressively and affirmatively address those entitlement programs, then it will be essentially a facade, and we will have accomplished little. The pain that these Federal employees are going through subject to the continuing resolution failure will be for naught, and how can we know whether or not there has been substantive change or substantive action taken on the entitlement programs.

Let me lay down a few benchmarks that I think we should look at. There are three basic programs that we are talking about here: Medicare, Medicaid, and welfare reform.

In the Medicare accounts, clearly there has to be a new way to deliver services. There has to be more opportunity for competition. Our senior citizens have to be given more choices, more opportunity to go out in the marketplace, like their kids today, and be able to purchase services other than just what is known as fee for service. Thus, any reform that comes out of this process must involve the use and the utilization of marketplace forces in a very aggressive way. It must allow

seniors to do as their children are doing today, which is to opt into other types of health care delivery, whether it happens to be an HMO, a PPO, or a group of doctors, or a PSO, which is another form of doctors and hospitals practicing together. Those various options must be made available to our seniors. And I hope that in any resolution of this matter—it must have that type of a choice program in it, a real choice program, and it cannot be just what we presently have in our Medicare system, which is basically an illusory choice program.

You can also look at the Medicare reform effort and determine whether or not it is real by what the rate of the premium payment is. If we go back to a 25-percent rate of premium as being the part B premium borne by senior citizens, then we will know that basically there has been a sellout, that nothing has really happened.

The fact is that 31.5 percent is what is needed as the part of the part B premium to be paid by seniors if we are going to have a solvent trust fund. Seniors cannot expect that the Medicare trust fund will remain solvent if they are going to ask their children to basically subsidize, at an ever-growing rate, the cost of the part B premium.

The seniors cannot expect the Medicare system to remain solvent. Seniors have to be willing to pay their fair share. By paying their fair share and maintaining the premium at 31.5 percent is clearly a core test issue.

Another test is whether or not there are copayments, especially whether or not we have a situation where, on the part B premium, people with high incomes are required to pay the full cost of the premium. Today, we have the top 500 of retirees from IBM last year being subsidized by the folks who are working at the restaurant, down at Joe and Mary's Diner or at the local gas station, and it is not right, it is not fair. They are being subsidized to the extent of almost 68.5 percent, the cost of their part B premium, and that is not correct.

So any reform that comes out of this agreement has to have some sort of understanding that high-income individuals will bear the full cost of their part B premium.

In the Medicaid accounts, it is very obvious that Medicaid has not worked the way it was supposed to. Nor has welfare. If we are going to make them work effectively, we have to give the States the flexibility to run the programs and to initiate original and imaginative approaches to running the programs. We have to end this huge drainoff of funds which is going into bureaucracy instead of going into care in the area of Medicaid and going into direct support in the area of welfare.

Today, I think it is less than 40 cents of every welfare dollar actually gets to

the recipient. The rest goes to overhead. In most States, the administrative costs represent about 15 percent of what the operating costs are of a program. So the difference between those two numbers is what States feel they can have available to address the needs of people versus ending up funding bureaucracies.

So any program that is going to effectively address the outyear drivers of our budget problems, specifically the entitlement programs, must address the fact that Medicaid and welfare must be decoupled from the entitlement train and be returned to the States to be operated as States' programs with the flexibility being given to the State governments where there is as much compassion as in Washington to deliver these services to the less needy and to the more needy individuals.

So these are some of the tests of whether or not we will reach an agreement which is real versus one that is illusory, and in looking at any balanced budget agreement, it is essential that we look at those tests because it is essential that we have an agreement that is real.

I thank the Chair for his courtesy and yield back my remaining time.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Ohio.

HOSTAGE TAKING IS NOT PRETTY

Mr. GLENN. Mr. President, let me join with those who complimented Senator DOLE for taking the leadership yesterday in sending a clean continuing resolution to provide Government funding over to the House. I not only want to compliment Senator DOLE, I also want to compliment all the Republicans on their side of the aisle in the Senate because Senator DOLE made that proposal, knowing full well that he had unanimous consent, or he would not have made it. So I want to not only congratulate him but also the Republicans on the other side who I feel are working in good faith trying to bring this to an end.

Yesterday afternoon, I was making a couple of notes for some remarks on the floor this morning. I was going to start out by talking about hostage taking, how it is never pretty and it is always unfair. The innocents are penalized for something they had nothing to do with. I was not aware at that time of what the lead editorial in the Washington Post was going to be today. They say "The Government as Stage Prop."

They start out saying almost the same words:

Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker

could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current Government shutdown.

I will not read the rest of the editorial. I ask unanimous consent that it be printed in the RECORD at the end of my remarks, along with another enclosure.

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

(See exhibit 1.)

Mr. GLENN. Mr. President, innocents are being penalized for something with which they had nothing to do. Congress protects its own income, of course. We do not give up any of the \$133,600 a year, but for those making \$33,000 a year, it makes all the difference in the world, and this because one small group thinks that they, and only they, have the wisdom on how this Government should go and that they can dictate the future of this Nation.

We elect 535 people to the Congress of the United States, and what a charade it is that just a small group thinks that they can shut down everything and bring such pressure that the rest of Government, everyone else who is elected to Government will give in and say, "OK, this is getting so bad that we give in to your unfair tactics."

Why do we get into this mess? Let us go back just a few years and see what happened. Let us go back to the history. Let us "go to the tape," as they say on the sports broadcasts.

Did Democratic problems contribute to some of the situation we are in now? Why, of course it did. Back some years ago, we had an economy that was not as well managed as it should have been. We wound up at one time with 21-percent interest rates and 17-percent inflation rates, and that led to what was called the "Reagan revolution." That revolution came in with an experiment in supply-side economics, as it was called then, that did not work, and we can show that.

In the years 1981, 1982 and 1983, we cut taxes by 25 percent—5 percent the first year, 10 percent the second year, 10 percent the third year. This was supposed to result in more investment and such an increase in the economy of this country that new revenues were going to more than make up the losses from those tax cuts.

It flat did not work. When it started, we had, from George Washington through to the end of the administration of Jimmy Carter, \$1 trillion in national debt. What do we have now? In the few short years since that experiment in supply-side economics, we have seen the debt skyrocket. We have added \$3.9 trillion—\$3.9 trillion—in the last few years. It will be just a short time until we hit a total debt of some \$5 trillion.

Entitlement growth has contributed to that, of course. Were we prompt in taking action to slow some of these things down, in Medicare, Medicaid, and welfare? No, we probably were not. But does that mean we dump the whole of the programs and just stop Government now?

I know from talking personally with President Clinton on a trip he made to Ohio that first priority of the new administration was get control of the economy. Otherwise, all the other things would not be possible.

What did he do? He came out with a program then, and it was a program that has had considerable success, in spite of the fact it seems to be mentioned only rarely these days. About half of it came in cuts in programs and about half of it came in some tax restoration, to restore some of those tax cuts that had happened under the Reagan administration and went too far. President Clinton, to his everlasting credit, had the fortitude to go ahead and make some changes in those programs and restore some of the tax rate that could bring us back into balance.

We remember that day on the Senate floor very well in the summer of 1993. When the effort was made to pass the Clinton program, we had complete opposition on the other side, both in the Senate and in the House. It was a very dramatic moment when the Vice President, sitting as President of the Senate, broke the 50-50 tie and put the administration's program into effect.

Now, every single Republican Member of the House and every single Republican Member of the Senate voted against that proposal to move toward a balanced budget. Every single one. There were no cries then about the balanced budget and so on. It was a complete stonewalling of the President's efforts to get us headed toward a balanced budget. Did it work, or did it not work in the ensuing years, since 1993? Let us look at the record.

At the time the President made his proposal and at the time that we voted the program in, the budget deficit, per year, was running right at \$300 billion. Last year, what was the record? The program was working. The budget deficit went down to \$246 billion per year.

Last year, the record is that it went down to \$162 billion. So we were on the right path—without any major revolution, without dumping whole programs of Government. We were tailoring them back.

I know from my own personal experience, because I was chairman of the Governmental Affairs Committee and I was assigned billions of dollars to cut back on programs that did not have that big a budget, and we did it. It was tough and we made some very, very tough decisions at that time. That was opposed by every single Republican Member of the Congress, in the Senate

and in the House. They said, "We cannot restore any of those tax cuts. We cannot come up with any tax increase at all." That was the rationale for most of the opposition.

Well, it did work. We have been on a track down where the budget deficit has been declining in each one of those years. Where was the Republican interest in the balanced budget? Did anybody ever say a good thing on this floor about what was happening as a result of those tough votes we made in the summer of 1993?

We need to keep going with those reductions. I agree with that. It has leveled off somewhat. Some of the predictions indicate that it will be \$150 to \$200 billion as far as the eye can see. So we need to make an effort to keep cutting those down and do it not by some great revolution but by the evolution that has been successfully started.

It is said that we have to transfer all these responsibilities to the States. Some should be transferred to the States; I agree with that. But I also say that these proposals to shut down the Government are not affecting only Federal employees, as has been pointed out on the floor here this morning, they also impact the people on welfare, children, the poor, and the care for the elderly.

Here are a few examples of how the people of this country are being impacted, and this is not just Government employees, as important as that may be.

We have some 54,000 Federal employees in the State of Ohio. All of those are not affected by this, but I will use that figure. I do not have a breakdown on how many exactly are impacted. We cannot get information because the appropriate offices that would provide that information are closed down.

These Federal employees are important to us in Ohio. But, Mr. President, regarding care for the elderly, 600,000 elderly Americans face the potential of losing their services of Meals on Wheels, transportation, and personal care provided by the Department of Health and Human Services, if a CR is not passed this week. This covers protection and services for children, unemployment insurance, securities markets, and so many other areas that are affecting every single American, not just the Federal employees, right now.

So what we need to do is say to our colleagues over in the House that "enough is enough," as the majority leader has said. Enough is enough, and it is time that we got on with not only putting Federal employees back to work but rendering the services that the American people expect and are paying for and should have.

Over in the House, the Speaker has said that the crown jewel is the tax cut. That comes out of Medicare, as I see it, some \$270 billion. They say you cannot equate that. If you cannot

equate it directly from Medicare to the tax cut, that means we are borrowing \$245 billion to give a tax cut. We are borrowing the money to give a tax cut. I disagree with President Clinton's proposal on a lesser tax cut, also. I do not believe any tax cut at this time is necessary. Borrowing to give tax cuts is pure folly, as I see it.

The social fabric of this Nation should not be changed by a revolution dictated by a few, but by evolution, slower change, which lets people adapt, whether it be the elderly, children, the sick, the poor, those who need Medicaid. To just throw this back to the States and say that we will give you a bag of money, but we are going to put a much greater increase on requirements that you have to comply with, makes the biggest mockery of the unfunded mandates legislation we passed earlier this year than I can possibly think of. So we are giving them responsibilities, a little bit of money, and saying, "Good luck to you."

Mr. President, I think we need a clean CR, again, that the House will accept. We have narrowed this down to where it is time that the House of Representatives and their group of diehards gave in a little bit and decide that we can negotiate these changes and put the Government back to work. I yield the floor.

EXHIBIT 1

[From the Washington Post, Jan. 3, 1996]

THE GOVERNMENT AS STAGE PROP

Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

Senate Majority Leader Bob Dole was trying again last night to find the formula to reopen temporarily. Good for him; it's the right position; and he takes it at a certain cost. Speaker Newt Gingrich said it would be "very hard" to find the necessary votes in the House without a budget agreement. Does he really lack the power to produce such a limited result? Sen. Phil Gramm, meanwhile, one of Sen. Dole's rivals for the Republican presidential nomination, spoke for the vaudeville wing of the party. He is one of those who, over the years, have found it convenient to make almost a cartoon of the federal government.

It's a straw-man style of politics. First you portray the awful thing, then you run against it, and no matter if the portrayal bears scant relation to the reality. "I do think we've discovered one thing," he said on television Sunday, "and that is, Have you missed the government? I mean, doesn't it strike you funny that 280,000 government employees are furloughed, large segments of the government are shut down? I think this proves beyond a shadow of a doubt that we need to go back and eliminate 150,000 to 200,000 bureaucratic positions." Mr. Gramm

and others thus use the government as a stage prop. Rather than make the decisions they ought to be making—ought in fact to have made weeks ago—both parties are using it, or the lack of it, to score political points and gain leverage in the underlying budget talks, even as they also scramble to avoid the blame for the spectacle they have jointly achieved. We have a suggestion for them. They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough.

EFFECTS OF THE GOVERNMENT SHUTDOWN, TUESDAY, JANUARY 2, 1996

Congressional Republicans, by refusing to approve funds even for the short term, are forcing a continued shutdown of the government. The continuing shutdown is causing increasingly severe hardships for millions of Americans who: depend on government services; serve the public as federal employees and contractors; and are impacted by the economic spin-off effects of reduced government activity.

EFFECTS OF THE CONTINUING SHUTDOWN ON AVERAGE AMERICANS

Care for the elderly: 600,000 elderly Americans face the potential of losing their services of "Meals on Wheels," transportation and personal care provided by HHS if a CR is not passed this week.

Protection and services for children: As of today, states will lose \$74 million in quarterly grants for discretionary child protection programs, which help states respond to more than 2.5 million reported cases of child maltreatment each year. In addition, the Federal Parent Locator Service, to which 20,000 child support cases per day on average are referred, is closed.

Unemployment insurance: By the end of this week, 11 states (plus DC and the VI) will have exhausted Federal funds for administering the unemployment insurance program (New Jersey, Alabama, Rhode Island, Tennessee, Kansas, Alaska, Massachusetts, New Hampshire, Vermont, Utah, New Mexico). In order to keep unemployment offices open, states will have to fill the gap with their own funds. Otherwise, unemployment offices would have to close and benefit payments would cease. Kansas has already closed its unemployment office.

Securities markets: The SEC's funds are expected to be exhausted by the end of next week, causing delays in review of an estimated three-fourths of pending and new SEC filings for the month of January. A delay in review of filings for initial public offerings, mergers and acquisitions, and filings for new debt or stock offerings would eventually impact the flow of corporate financing and capital formation.

Home-buyers: Each day of the shutdown, the Federal Housing Administration cannot process 2,500 home purchase loans and refinancings (\$200 million of mortgage loans) for moderate- and low-income working families.

Protection of workers: Since the start of the shutdown, over 1,000 workplace safety complaints have gone unanswered and 3,500 investigations involving pension, health and other employee benefit plans have been suspended.

Environmental protection: All EPA non-Superfund civil environmental enforcement actions have stopped, costing \$3 million a day in fines or injunctive relief against polluters; and as of today, up to 32 Superfund cleanups will be shut down.

District of Columbia: The December 22 CR expires tomorrow which will continue the

uncertainty over how DC can continue to operate its services.

Passports: Each day, the State Department can't process 23,000 applications for passports that it would normally receive.

Programs for Native Americans: The Bureau of Indian Affairs cannot make general assistance payments due to about 53,000 Indian families and individuals, or to guardians and foster families that care for about 3,000 Indian children.

Veterans: While the December 22 CR provided funding for certain benefits and payments, it expires tomorrow; consequently, contractors providing services and supplies to hospitals will not be paid, and benefits for January will not be paid on February 1 in the absence of a CR. In addition, approximately 170,000 veterans did not receive their December Montgomery GI Bill education benefits and will not receive benefits in January. Funding has also lapsed for processing veterans' claims for educational and rehabilitation counseling, and enabling veterans to obtain VA guaranteed home loans.

Small businesses: Each day of the shutdown, over 260 small businesses are not receiving SBA-guaranteed financing; and 1,200 small business owners are not receiving SBA-sponsored training and counseling normally available to them.

National parks/forests and related businesses: Each day, an average of 383,000 people cannot visit National Parks. Potential per day losses for businesses in communities adjacent to National Parks could reach \$14 million, due to reduced recreational tourism.

Foreign visitors: Each day, the State Department cannot issue 20,000 visas to visitors, who normally spend an average of \$3,000 on their trips.

Export promotion: On an average day—export licenses with a value of \$30.5 million that would otherwise have been approved by the Bureau of Export Administration will not be acted upon; more than \$92 million in sales of U.S. products are blocked due to inability to process license applications; and more than 2,500 telephone calls and faxes from U.S. businesses seeking export information are not being answered.

EFFECTS ON FEDERAL WORKERS

Due to Congress' failure to approve short-term funds, beginning last Friday, December 29, about three-quarters-of-a-million Federal employees have received only half their usual pay.

They received pay for December 10 to 15, but not December 16 to 23.

Unless the Congress approves funding by late this week, emergency and furloughed employees will not receive pay for the current pay period on time (i.e., next week).

480,000 emergency workers are working, and the government is obligated to pay them, but they can't be paid until Congress approves funds to end the shutdown (includes federal law enforcement officials, prison guards, and nurses at Veterans Hospitals).

280,000 non-emergency workers are currently furloughed and not being paid (and have no guarantee they will receive back pay unless Congress acts to approve back pay).

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

DO WHAT IS RIGHT FOR AMERICA

Mr. COATS. Mr. President, I was elected to Congress in 1980. I took office in January 1981. At that time, dur-

ing that election, there was some view that it was a major election. Ronald Reagan was elected President, and a number of changes took place that were viewed then as historic. Republicans took control of the U.S. Senate for the first time since 1954. Republicans did not take control of the House of Representatives but in a sense they gained working control because they elected a significant number of new Members and, joining with conservative Democrats, they formed a working majority that passed some very significant legislation.

One of the primary issues, if not the primary issue, of that election year and the agenda that was proposed and adopted in part during that 95th Congress was the whole question that we are debating here today and this year, which is, what is the size of Government? What is the scope of Government? Is Government too big? Does it try to do too much? Does it overregulate, overspend, overtax? What is the proper role of Government?

David Stockman, then Director of the Office of Management and Budget for then President Reagan, proposed a plan to begin to trim back some of the spending of Government. There was an outcry from the American people. It was the issue of the year. When we compare what was then proposed with the magnitude of the problem then versus what is proposed today and the magnitude of the problem today, it is seen as a very, very minor, almost inconsequential, proposal, in retrospect.

That debate, in one form or another, has been taking place now for the past decade and a half. In a growing sense of frustration, I think the American people are viewing the Congress as incapable of really addressing the fundamental core issues, of really doing something that makes a difference. I do not know how many times we have promised a balanced budget through plans that have been offered by Members from both sides, by both parties. But it was said, "This is the plan that will balance the budget."

We had, of course, the 1981 and 1982 legislation. We had the 1983 Social Security legislation, which is probably the closest we came to making a policy change that substantially made a difference in the way we spend money. We had the 1986 agreement, the 1988 agreement, the 1993 agreement. Each agreement, Members stood on the floor and said this will do the job. We have finally stepped up to the plate, and we have done what the American people have asked us to do. We go home and campaign on it. This is the real balanced budget. Gramm-Latta I, Gramm-Latta II—we have been through it all. There is plenty of blame to spread as to why this was not accomplished.

The Senator from Ohio talked about tax cuts that were proposed and those were attempts to address the question

of more and more hard-earned money from those who are in the work force being siphoned off to Government—whether Federal, State, local, or sales tax, or excise tax, or whatever—and also an attempt to dry up the supply of money coming from taxes, to try to slow down the spending. We can argue whether that was proper strategy or not.

I do not think anybody would argue the fact that we have seen the national debt accelerate from a \$1 trillion level when I came to Congress in 1981, to nearly \$5 trillion level, a 500-percent increase in just this short decade and a half, that the solution would have been \$4 trillion of additional taxes out of the American taxpayers pockets. I do not think anybody is advocating that as the solution.

So now here we are with this ever-accelerating frustration on the part of the American people, cynicism, apathy, distrust of this institution's ability to successfully address this problem. Here we are, now, in 1995, having spent this last year primarily attempting to address this question.

We had, again, what many would call a historic election in 1994. As the American people exercised their frustration with the status quo, their frustration with the way that the Congress was addressing the question, the fundamental question, of what the role of Government is and its ever-expanded expenditure that was placing our Nation's economic future in jeopardy and, I think, violated the basic moral responsibility that many people feel we have, and that is to not continue to pass on debt for the enjoyment of expenditures, the utilization of expenditures for our own enjoyment in the present, paid for by someone else's earnings in the future.

I argue that there is an economic necessity for our getting hold of this ever-accelerating rate of growth in the Government and that there is a moral requirement placed on each of us to do what I think each of us knows is the right thing to do, and that is not to enjoy the benefits of this society that the Federal Government can provide to us in the form of payments and benefits to the extent that it places an extraordinary debt load and obligation on the future. That is one of the most basic principles of life: Delaying gratification so that you do the things that are necessary now to provide for a better result in the future. We have robbed our children of this lesson. We have demonstrated to them, I think, a great irresponsibility in terms of the way in which we handle our Nation's finances.

Now, all of this came to a head early on when we debated the balanced budget amendment, because many of us stood here and argued, having gone through all this statutory process, this process of will, if we just work hard enough with it we are able to deal with

this problem; having gone through that several times and failed miserably, that only a constitutional mandate to balance the budget would accomplish what we were seeking to accomplish.

That was supported, largely by Republicans but also by a significant number of Democrats, and failed by one vote. It was the greatest disappointment of my time in Congress to lose that by one vote, because as I spoke here, I said I doubt that we will ever have on a sustained basis the will to do what is fiscally responsible on a year-after-year basis, because the political requirement, or at least the political temptation to please constituents now and worry about paying for it in the future is so great that it will continue to drive us toward providing more and more benefits and less and less personal responsibility in terms of asking people to pay for those benefits in the here and now.

Because the Government has the ability to float debt and postpone repayment of those obligations, the political temptation to sort of please those people you represent now so that you can get elected at the next election and worry about repayment of that or putting the hard questions before the people we represent, that is always deferred.

Now, in 1994 I think that frustration, as I said, boiled over. We had a dramatic change in the representation in the House of Representatives and, I think, a very strong mandate from the American people that they wanted something different than the status quo. They wanted the real thing. In response to many who said, "Well, I'm not voting for this balanced budget because it doesn't have an exception for this, an exception for that, and, besides, we shouldn't have to rely on the Constitution to make us do what we know is right. We should have the will to do it ourselves. So let's forget the mandatory constitutional requirement and let's go forward by exercising our own personal will and do what we know is right." That is what the attempt has been all this year.

Here we are. Now it is 1996. We were not able to do that in 1995. We are arguing over small numbers and details and large numbers and details, but we are not focusing our efforts on the core concepts.

The Senator from New Hampshire came down here a few moments ago and redirected our attention back to what I think are the basics, what should be the basics of this debate. Instead of focusing on those basics, we are focusing on whether or not a Federal employee should be paid for work that they are doing now, whether they should be held hostage to this process, what the impact is on people and their families, and that impact is real. However, it does not address the core debate.

Mr. President, it seems to me our options are somewhat limited at this point. We can talk about this endlessly and posture and get spins out of the White House and spins out of Congress. This can go on and on and on and on, or we can simply say, "Look, there is a basic principle involved here. We all know it requires major policy changes, or we will just simply be back here 2 years from now arguing the same thing."

We all know, as the Senator from New Hampshire said, unless we address the three basic programs of Medicare, Medicaid, and welfare reform and change policies that drive that spending and decouple the entitlement from the automatic spending train, we will not have achieved success in balancing the budget. I think everybody understands and knows that. Yet, we are now addressing that or focusing on that question.

I do not know what the solution is, Mr. President. Maybe it is to require that the President of the United States, the leader of the Senate, and the Speaker of the House be sent to Dayton, locked up at Wright Patterson Air Force Base—as were the Bosnian factions, leaders of the Bosnian warring factions; they have been at war with each other for 600 years, and being locked up at Dayton produced a result most thought would not happen—perhaps locking up the three leaders of our Government in Dayton, cutting off and saying, "No Larry King, you cannot read any newspapers, you cannot take any polls, you cannot watch the television, you cannot go to Hilton Head to play golf, and you cannot go to New Hampshire and campaign until you do what is right for America," maybe that is the solution. I do not know.

Doing what is right for America is what ought to be driving us in this debate. I think we all know what is right for this economy and what is right for the President and what is right for the future. I think we all know or we should know that unless we address these fundamental changes in the way in which this Government spends money and we put some restraint and control on that, we will not succeed and we will be back here arguing the same thing.

I regret the Federal workers are out of work. There are a lot of people out of work. AT&T just announced they are going to lay off 40,000 people, so it is not just the Federal workers. In defense of the House Republicans, they are using the only leverage they have against the President. It has not worked very well because the President's spin has captured the headlines and their spin—the Republican House has not captured headlines with that.

I have probably gone over my time. I appreciate the patience of the Chair and my colleagues. I will have more to

say about this later, but I do think we ought to focus on the basic issues and I do think, despite what the polls say and despite what the phone calls say, we ought to do what we believe is right for America.

I yield the floor.

THE PRESIDING OFFICER. The Senator from New Mexico.

THE IRRESPONSIBLE COURSE OF THE HOUSE OF REPRESENTATIVES

Mr. BINGAMAN. Mr. President, today we are in the 19th day of the longest Government shutdown in the Nation's history. Let me begin, as others have here today, by commending the majority leader for his action yesterday in bringing to a vote, here in the Senate, a continuing resolution to restore funding for the ongoing operation of the Government. I frankly regret that it took us 18 days to have that continuing resolution brought to the Senate floor. But, regardless, I was very pleased to see that action by the majority leader yesterday. I also commend all Senators for agreeing to the passage of the continuing resolution. I think we all know that under Senate rules, any Senator could have objected and could have kept that measure from passing in yesterday's session. It says something about the merits of this issue, this issue of the Government shutdown, that every single Senator agreed to allow that bill to pass.

Today, the House of Representatives will have to decide whether it, too, will pass the continuing resolution that we passed yesterday in the Senate, whether it will pass that resolution so it can be signed by the President and so that funding can be restored to the Government or, in the alternative, whether the House of Representatives will continue in what I believe is the irresponsible course that it has pursued, now, for several weeks.

Since this second shutdown of the Government began, I have spoken three times on the Senate floor. Each time I have denounced the refusal of the Congress to fund the Government as irresponsible. I have denounced it as being an abuse of power by the Congress and an abrogation of responsibility by the majority here in Congress. I believe very strongly that the Founding Fathers who wrote the Constitution expected more responsible conduct by the later generations who would serve in this Congress. I believe very strongly that the American people deserve more responsible conduct by their elected officials.

But I will not repeat today all the arguments that I made in the previous days. Instead, what I want to say today is that today, each Member of the House of Representatives should be given the opportunity to vote on whether or not to restore funding for the normal operation of Government.

Let the people's elected Representatives vote on whether they believe that Government should be shut down or we should restore that funding.

I saw the Speaker of the House made a statement yesterday that he did not know whether the votes were there, in the House, and he doubted that the votes were there in the House to pass the continuing resolution that we passed here in the Senate. It is very simple to determine that. Just put the question to a vote. Let each Member come on the floor of the House and cast his or her vote and answer to his or her constituents for that vote.

The people's elected Representatives need to decide whether the Congress should continue to withhold funds needed to process student loans for this next semester of school. They need to decide whether it is proper for Congress to keep the campgrounds and monuments and visitors centers closed in our national forests and our national parks. They need to decide whether they want to continue withholding funds that are needed to process the 23,000 passport applications that are received each day by the State Department, that were received yesterday, that will be received again today. And they need to vote on whether the Congress wants to withhold one-half of the pay of three-quarters of a million Federal workers or, in fact, withhold the pay of that entire group, entirely, for the month of January—which I understand will be the case unless some continuing resolution is passed.

People deserve to know how their elected Representatives stand on these issues. I know the response that some Republican House Members will give. They will refuse to vote for funding the Government and explain their position by invoking their earnest desire to get to a balanced budget. So let me respond to that just very briefly.

First of all, the issue of whether Congress shares with the President the obligation of maintaining the functioning of Government is a separate question from whether we ought to commit ourselves to reach a balanced budget at some future date. I believe strongly that the Congress does share that obligation to maintain a functioning Government and it is not an obligation that can be ducked by Members of Congress by simply changing the subject.

A second point is the obvious one that we are not going to bring the budget into balance this year. Nobody has stated that we could bring the budget into balance this year. The Speaker of the House has not claimed that, Senator DOLE does not claim that, President Clinton has not claimed that. If everything works perfectly, the best that we could hope for is that if the Government takes certain steps during the next 7 years, and if the economy acts in certain ways during the next 7 years, that that combined

result will get us to a balanced budget in the year 2002. So, those Congressmen and Senators, previously Senators, who insist on keeping the Government shut until the Government gets to a balanced budget will have a long time to wait.

Congress meets every year. We pass new budget bills every year. We pass new appropriations bills every year. None of what we do around here is chiseled in granite. All of it is subject to change during this next 7 years. So we need to get on with our business. And part of our business and part of our responsibility is to restore funding for the normal functioning of Government.

Finally, we have a shared commitment between the Congress and the President to reach a balanced budget. What we also need, and need very urgently in my opinion, is a shared commitment, including the commitment of House Republicans, to maintain a functioning Government. This Senate has acted responsibly in passing a continuing resolution to once again fund the Government as we did last evening. Today the House Republicans have the opportunity to act responsibly as well. I sincerely hope that they will seize that opportunity.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

COME TO AN AGREEMENT ON THE BUDGET

Mr. CRAIG. Mr. President, I, like many of my colleagues, have returned to Washington this week, hopeful that the Congress and the President can come to an agreement on the differences they hold over the budget issues that the American public are now so aware of, as a result of the continuing shutdown of Government or a portion of our Government. I stood on this floor just before Christmas and asked the President to give the American people a present, a Christmas present, a balanced budget that would look toward the future, that would assure the economic viability and vitality of this country well into the next generation. And that it was at Christmastime that we should start.

That did not happen. In fact, the President did just the opposite. He vetoed appropriations bills that were sent to him. At least as a result of the veto of one appropriation bill, the Interior appropriation bill, he furloughed, by that action, a good number of workers in my State, Federal employees in the Forest Service and the BLM, who are now extremely frustrated and calling my office and saying why can we not work? Why can we not be paid? Why can we not continue to do what we do for our country?

Let me say to those workers that I am sorry they are not, today, at work. Not just them, but all Federal workers

in my State. The President did not veto the Interior appropriations bill because of the dollars and cents of it. He vetoed it because of his belief in a policy or an attitude that is in disagreement with the majority of the U.S. Congress on how many trees ought to be cut in a forest in Alaska, or how certain lands ought to be mined.

So, I am sorry, to those employees in my State, because the Congress did its work and it responded to them, and to the Government, by sending the appropriate appropriations bill, only to be vetoed by the President.

So to those workers, let me tell you. You are today being held hostage by a President who refused to sign appropriations bills that had been sent to him. That is all I want to say on that issue. And I say that because I believe the Federal workers who are furloughed ought to be paid. They are furloughed through no fault of their own. And this Congress and this President ought to come to an agreement to resolve that issue. And I hope that is accomplished before the week is out.

Yesterday, the Senate spoke in an effort to try to bring Federal employees back onto their jobs. And that did not work for the House is still considering its options as appropriately it should.

So, Mr. President, I hope you recognize the importance of the work that we are trying to accomplish here. And I hope that we would not continually look at just tomorrow because, while I am not happy that our Government is shut down, I am not worried about tomorrow and tomorrow's unemployed Federal workers. But I am worried about the future and a balanced budget; and, that we will have a strong, stable Government as a result of a strong, stable U.S. economy that is able to appropriately fund the needed services of Government and assure the long-term stability of the work force and the responsibilities and the goals of a Government. That is the way it ought to be. That is what this Congress has attempted to look at and make changes in over the course of the last 12 months.

It is my disappointment that the White House never sent a balanced budget to Capitol Hill, and it never once said, except in the last few weeks, that it would come to the table in an effort to resolve the budget crisis that we are now engaged in.

Several weeks ago the President did, while signing a continuing resolution, commit himself for the first time to work toward a balanced budget; to try to match up the rhetoric of his last campaign with the actions of his administration. Yet, the American people have watched. And we have worked day after day through Christmas and now into the new year at the White House and here on Capitol Hill to try to resolve the differences just to honor the commitment that we made to the

American people and to try to cause this President to honor his.

I know there are fundamental differences. There are differences that are very difficult to resolve because there are some in this Congress, and certainly many in the administration, who do not believe in a balanced budget but who have profited politically over the years by the longevity of their service by assuring the perpetuation of the welfare state mentality; that you could just give and give and borrow and borrow and buy your way back year after year and continue to serve and to say all is well with the American citizen, the American Government, and the American economy.

While all was well for the short term, what became overpowering to the American people was the growth of a debt that is nearly \$5 trillion by its total amount and that is costing well over \$200 billion a year just to finance.

Finally, the American people spoke very clearly in the last general election across this country when it said the future of our country is every bit as important as the current well-being of our Government and the well-being of our citizens.

So I am here to work to resolve the issue. I say to the Federal workers in my State and across the Nation that while I wish you were not furloughed, and while I support you being paid when you return to work, and when we produce a balanced budget the future of our country is so very much more important than the short-term difficulty that I am sad you are experiencing but that, in fact, you are experiencing because the policies that will cause this Congress and our Government to operate in a near balanced budget year in and year out to stop building mounting debt is what is fundamentally important for the new year.

So while the President was unwilling to give the American people a Christmas gift, let me ask you, Mr. President, to make a New Year's resolution along with all of the Congress to by this weekend come to terms with the differences that we have between us to resolve a balanced budget in 7 years using the Congressional Budget Office numbers that we can all agree on, that makes sense to the American people, and that for the new year sets a resolution that says for the future, for America's future, for our young people's future, we will build a strong and stable economy in a Government whose policies are based on serving the truly needy but also recognize that the free market system unfettered by an ever-growing Federal Government is the one that serves the American people best.

Mr. President, make that New Year's resolution with us today. Resolve the issue before the week is out so that employees can go back to work who are responsible and dedicated and furloughed through no fault of their own.

And they can be compensated, and the American people can see that politics in Washington is not politics or business as usual but that we have heard them well, we have heard them loudly, and we have heard them clearly. And we responded by producing a balanced budget that charts for future generations a responsible Government, and a strong and growing U.S. economy.

I yield the remainder of my time.

Mr. SARBANES addressed the Chair. The PRESIDING OFFICER. The Senator from Maryland.

THE GOVERNMENT SHUTDOWN

Mr. SARBANES. Mr. President, we have witnessed over the last few weeks an unprecedented effort to use a coercive tactic in order to achieve a particular substantive result—in my judgment, a totally irresponsible and outrageous tactic; and, this is, to hold Government hostage by closing it down and, therefore, not only depriving the Federal workers of the opportunity to render service but depriving the American people of the service which they render. And I am going to develop here in a moment the impact this is having in the private sector.

There is a tendency to think primarily about the Federal workers who cannot come to work and cannot get paid. And that is true, and that is creating a tremendous hardship and tremendous crisis in many, many families all across the country. But a similar crisis is being created in the private sector which interrelates with the Government in terms of its economic activity.

The Government ought to be allowed to go about its normal activities while this struggle and debate over a 7-year budget plan takes place. There are very important fundamental differences over that budget plan. Very deep cuts in Medicare are proposed by some. There is strong resistance to that. At the same time, those who want the deep cuts in Medicare want to give large tax breaks. A lot of people do not see the sense in giving large tax breaks primarily at the upper end of the income scale at the same time that you are going to be imposing cuts in medical services on people with very modest means.

In all of this there is an effort in effect to create chaos, to hold the Government hostage as a bargaining tactic; a coercive bargaining tactic.

The majority leader yesterday here in the Senate, Senator DOLE, when we passed the clean continuing resolution which would allow the Government to resume its normal activities for a temporary period of time—workers would be back at work, they could do their job, people could get services, workers would be paid—said, and I quote him: "People have been gone from their jobs long enough. Enough is enough."

Today, the Washington Post in an editorial said, "They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough."

At the outset of that editorial the Washington Post said, and I quote them:

Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

The basic issue raised is to what lengths will people go to try to get their way?

It is the hallmark of a democracy that you have to accommodate conflicting viewpoints. Democracy does not guarantee you that your way is necessarily going to prevail. It gives you an opportunity to try to persuade others.

We have a constitutional system of separation of powers and checks and balances, and it requires restraint and good judgment on the part of decision-makers not to sacrifice the means in order to gain their particular end.

Now, we have a classic case of sacrificing the means, the proper workings of democracy, in order to gain a particular substantive result. It has never happened before. Never before has the closure of the Government been used as a coercive tactic over substantive issues about which there are very sharp differences. But it is happening in this instance, and it is wreaking havoc.

I ask unanimous consent that this editorial from the Washington Post be printed in the RECORD.

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

[From the Washington Post, Jan. 3, 1996]

THE GOVERNMENT AS STAGE PROP

Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

Senate Majority Leader Bob Dole was trying again last night to find the formula to reopen temporarily. Good for him; it's the right position; and he takes it at a certain cost. Speaker Newt Gingrich said it would be "very hard" to find the necessary votes in the House without a budget agreement. Does he really lack the power to produce such a limited result? Sen. Phil Gramm, meanwhile, one of Sen. Dole's rivals for the Republican presidential nomination, spoke for

the vaudeville wing of the party. He is one of those who, over the years, have found it convenient to make almost a cartoon of the federal government.

It's a straw-man style of politics. First you portray the awful thing, then you run against it, and no matter if the portrayal bears scant relation to the reality. "I do think we've discovered one thing," he said on television Sunday, "and that is, Have you missed the government? I mean, doesn't it strike you funny that 280,000 government employees are furloughed, large segments of the government are shut down? I think this proves beyond a shadow of a doubt that we need to go back and eliminate 150,000 to 200,000 bureaucratic positions." Mr. Gramm and others thus use the government as a stage prop. Rather than make the decisions they ought to be making—ought in fact to have made weeks ago—both parties are using it, or the lack of it, to score political points and gain leverage in the underlying budget talks, even as they also scramble to avoid the blame for the spectacle they have jointly achieved. We have a suggestion for them. They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough.

Mr. SARBANES. I also ask unanimous consent that at the end of my remarks three articles from the Post about the impact of this shutdown also be printed in the RECORD.

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

(See exhibit 1.)

Mr. SARBANES. Mr. President, one article talking about the impact across the Nation of the partial Government shutdown. Let me quote from it:

Kansas stopped paying unemployment benefits yesterday, the first time a State has turned away claims in the federal program's 60-year history.

The Environmental Protection Agency sent home 2,400 of its "Superfund" workers and stopped toxic waste cleanup work at 609 sites across the Nation throwing hundreds of contract employees out of work . . .

With the holiday season over, the impact of the partial Government shutdown came into sharper focus as private sector companies and State agencies struggled with the ripple effects from Washington . . .

"We've never been through anything like this before," said Ronald Frank, Executive Vice President of Ecology and Environment, a Superfund contractor based near Buffalo that will furlough "a couple hundred" workers today. "I don't think this is the way the system ought to work."

He is absolutely right, it is not the way the system ought to work.

Another private sector operator, "Michael Tilchin, Director of Superfund programs at CH2M Hill Ltd, said 'hundreds of employees' would be furloughed."

His company is helping clean up an old manufacturing plant in Hellertown, PA, where hazardous wastes have contaminated the groundwater.

The job is 95 percent complete and may have an "unintended consequence," Tilchin said. "In the event the shutdown persists, the costs of shutting it down and restarting it may be larger than the cost of completing the work."

And another private sector businessman said: "If they had their own busi-

ness, would they run that business this way?" he asked, referring to Congress. For the Government to have no plan to ensure that its programs will continue operating, he said, "seems kind of ridiculous."

It is ridiculous, and it is stupid and it is irrational, and it lacks any common sense. It just shows the limits to which some are prepared to go in terms of using coercive tactics in order to gain their way on another issue. That is what is at work here.

Are you entitled to use any and all tactics, no matter how disruptive, no matter how much chaos they create, no matter how much injury they do, no matter how much harm they inflict on people in order to gain your way?

That is not my understanding of how democracy works, and that is not my understanding of how our constitutional system is supposed to work. Every time there is a sharp disagreement, is the Government to be taken hostage as a coercive tactic? In fact, we have a national policy of not negotiating with hostage-takers. That is the position the United States takes when it is confronted with this situation in the international arena.

The ripple effect that is being felt throughout the economy is extraordinary. "Hundreds of companies whose Federal contracts were frozen when the furlough began * * * have either sent employees home or may have to do so soon."

These are not Federal employees. These are private sector employees. The Federal employees, many of them, are coming into work, over 500,000, and not being paid. And I ask people to stop and think: How long could they go without a paycheck?

Now, there is apparently a certain insensitivity in the Congress to that, but it may just reflect the fact that many Members of the Congress have significant economic means and the loss of a paycheck would not impact upon them the way it does on ordinary citizens who cannot go without a paycheck. They have mortgage payments to make; they have car payments to make; they have school payments to make.

Beyond the Federal employees are all of the private sector employees who are being impacted very sharply, and those employees, unlike furloughed Federal workers who expect to be reimbursed eventually for time off the job, most employees of Federal contractors and vendors will not be paid retroactively.

Mr. President, the impact of this is reaching not only locally and nationally, it is also reaching internationally. Visa applications by foreigners to come to this country have come to a complete halt. There are 20,000 to 30,000 applications made a day. Many of these people want to come for business purposes, for tourism, which is, of course,

important to the functioning of our economy. We have just cut that off. These visas are backed up. Americans are backed up now waiting for passports. In many instances, people have forfeited payments for travel arrangements.

With the action taken by the Senate yesterday we have the opportunity to correct this situation. There is a clean resolution that has gone to the House. I very much hope the House will pass it; that this exercise in hostage-taking will come to a halt and the talks on the overall 7-year plan can continue with their sharp differences, but this irresponsible tactic, this impermissible tactic of coercion by closing the Government down ought to come to a halt. I yield the floor.

EXHIBIT 1

[From the Washington Post, Jan. 3, 1996]

INCONVENIENCE EDGES TOWARD EMERGENCY

(By Thomas W. Lippman)

In Vietnam, the government has threatened to cut off electricity to the U.S. Embassy because the \$1,600 bill hasn't been paid.

In Russia, U.S. diplomats took out an interest-free loan from the Moscow embassy's community association to cover the payroll for Russian employees.

In Cuba, the trucker who hauls drinking water to the U.S. interests section has refused to make any more deliveries until paid.

Between 20,000 and 30,000 applications by foreigners for visas to come to this country are going unprocessed each day, creating a huge backlog of paperwork and infuriating prospective visitors. And in this country, more than 200,000 Americans are waiting for passports that cannot be issued.

Such is life in the State Department in the third week of a partial government shutdown that has cut off the department's money and blocked almost all nonemergency spending. Senior officials yesterday described a mounting sense of crisis as undone paperwork piles up, the backlog of unprocessed visa and passport applications grows, travel plans are canceled and embassy officials scramble for funds to pay restive local employees.

"We just don't have any cash," said Richard M. Moose, undersecretary of state for management. As long as suppliers and contractors are willing to extend credit for the few expenditures authorized, the State Department can get by, Moose said. But in the many parts of the world where the department has to lay out cash as services are provided—including several countries where security companies demand payment up front to provide guards—the current mass inconvenience is about to become an emergency, Moose and other officials said.

People around the world may find it hard to believe that the United States could be reduced to the level of "banana republic," Moose said, but "my threshold of believing what can't happen is getting lower all the time."

State is one of nine Cabinet departments and assorted independent agencies whose fiscal 1996 appropriations bills have not been signed into law by President Clinton and thus are mostly shut down because of the budget impasse between Clinton and the Republican-controlled Congress. State, more than any other agency, has spread the impact of the shutdown around the world.

Among those who have felt it are students who planned to start classes this month in

foreign universities, vacationers who had firm travel plans and nonrefundable tickets, and people with job offers from employers overseas.

"We had an 84-year-old woman who wanted a passport to go to Rome because her bishop was being elevated to cardinal" in the Roman Catholic church, a State Department consular official said. "We had to say no because it wasn't an emergency."

In many foreign countries, according to Moose and other officials, local laws do not permit the furloughing of local employees. As a result, "we have to let them come to work, but we can't pay them." Worse than that, other officials said, is the fact that visa applicants can see all these furlough-proof local employees at their desks, but are unable to obtain any service because the workers are not permitted to do anything.

"All this is unprecedented. We hope for a solution soon. Otherwise things will just get worse and worse," said Pamela Harriman, U.S. ambassador to France.

State Department and Office of Management and Budget officials said the cutoff of visas and passports has cut into airline revenue at a peak travel season because tens of thousands or even hundreds of thousands of prospective travelers had to stay home. Airline industry spokesmen, however, said they have so far noticed little impact.

Some of the impact of the shutdown is more embarrassing than substantive. Harriman and all other ambassadors, for example, have been told they cannot spend money on what is known as "representation," which mostly means entertainment. No luncheons for visiting business executives, no cocktail parties for important locals, no travel to ribbon-cutting and statue dedications.

The shutdown also is undermining morale in the ranks as leaves and long-planned transfers are canceled and work that is being done goes unrewarded, senior officials said.

In Colombia, for example, U.S. consular officials who worked all last week to help families of the victims of an American Airlines crash were treated as "volunteers" because there is no money to pay them.

In Washington, newly appointed foreign service officers are planning to meet tonight to commiserate over cancellation of their first deployments.

And morale among State Department and U.S. Information Agency employees at overseas posts is likely to fall further on the next scheduled payday, officials said, because their colleagues from funded agencies, such as Defense and Agriculture, get full paychecks but they do not.

Those concerns, however, pale before impending crises in security and communications, officials said.

"I don't think the system can tolerate this for many more days," said OMB Deputy Director John Koskinen, noting that local personnel in many foreign countries "live paycheck to paycheck. That raises a serious problem for us because a number of those people provide security."

"The places that really worry us are the ones where the FSNs [foreign service nationals, or local employees] are at the lower end of the pay scale anyway," Moose said, citing Cairo, New Delhi and Moscow as examples. He said in many embassies funds used for recreation or commissaries are being tapped to cover the payroll shortfall.

In embassies that have U.S. Marine guards, Moose said, the State Department is responsible for paying for the Marines' food but no longer has the funds to do so. "Maybe we can get the Corps to carry us on the cuff. It doesn't do a lot for our image," he said.

As if to underline his point about image, the U.S. Embassy in Mexico City, where the shutdown has been front-page news, sought to allay fears about the solvency of the government in Washington.

"The embassy wishes to make it clear that this situation arises from the constitutional definitions of how the United States budget is passed into law and does not represent any fundamental inability of the United States of America to pay its bills," the statement said.

On Saturday, Moose said, the State Department will run out of money to pay the contractors who run its worldwide communications network. Diplomatic cables, e-mail and secure telephones—the lifeblood of diplomatic communication—could be truncated or cut off, he said.

The restriction on all but emergency travel will not block Secretary of State Warren Christopher and a sizable entourage from flying this weekend to Paris and the Middle East, officials said. One reason is that Christopher travels on an Air Force plane, and the State Department's credit is good with the Air Force.

[From the Washington Post, Jan. 3, 1996]

RIPPLE EFFECT COULD LEAVE AREA REELING

(By Peter Behr)

On a normal day, Duke Chung's Manhattan Bagel shop would serve more than 1,500 bagels to employees of the National Science Foundation and nearby contractors in Ballston. Now he feels like the hole, not the dough.

"Today, it was a little over 200," said Chung, who operates the bagel franchise on NSF's ground floor. The building, usually filled with 1,400 workers is closed except for several dozen supervisors, security and custodial workers, he said. "I used to have 13 employees. Now I have about three. Merry Christmas."

As the partial federal shutdown enters its third week, the economic damage has begun to spread into many corners of the Washington area, from people who run government computers to those who supply its desks and bake its morning bagels.

Hundreds of local companies whose federal contracts were frozen when the furlough began Dec. 16 have either sent employee home or may have to do so soon, officials said.

"In the local area there have to be thousand of [contractor] employees who aren't working. It's of that order," said Edward H. Bersoff, chairman of BTG Inc., a Vienna information technology company. Bersoff also chairs the Fairfax County Chamber of Commerce.

If it continues, the shutdown could soon threaten the entire region's economy, first through the direct impact of federal furloughs and private-sector layoffs and then through the secondary, ripple effects from loss of local wages, economists said. The shutdown may "feed on itself," said Russel C. Deemer, regional economist with Crestar Bank in Richmond.

Unlike furloughed federal workers, who expect to be reimbursed eventually for time off the job, most employees of federal contractors and vendors will not be paid retroactively.

Companies that avoided layoffs by requiring employees to use vacation and comp days over the period from Christmas to New Year's Day are running out of time, said Olga Grkavac, vice president of the International Technology Association of America in Arlington, which represents about 150 area technology companies.

"Unless something is resolved quickly, we'll see more layoffs," she said.

There are no estimates of how many contractors' employees have been sent home—federal departments and agencies whose budgets have not yet been approved provided about one-fourth of the nearly \$18 billion in contracts that went to area firms in 1994.

But "we are starting to see some pretty significant impacts," said John F. Dealy, a Washington attorney and business consultant who advises technology companies. The contractors "aren't able to continue working on projects so they have to lay people off. That's accelerating."

BTG's Bersoff said he knows of companies that are preparing to cut off or curtail medical coverage for laid-off workers. "There are second- and third-tier effects of all kinds," he said.

The blow already has fallen on hundreds of merchants and suppliers who depend on federal workers and contractors for their business.

Mark Herman, who manages the Au Bon Pain restaurant at Union Station, said he has seen a sharp falloff in breakfast and lunch business since the Bureau of Labor Statistics office across the street shut down two weeks ago.

Until Dec. 16, Christine Webb, a computer systems developer with a Labor Department contractor, worked at keeping the BLS computers going and bought her lunch at Herman's counter. Now, she's home and preparing to file for unemployment benefits.

Soon, some of Herman's employees who have been using up vacation and sick leave will face layoffs too, he said. Moreover, he has no idea how many croissants and sandwich fillings to order for the days ahead. "It's just totally confusing. It's just nuts."

Others describe a chain reaction of disruption.

Richard A. Morsell, president of Office Furniture Concepts/Federal Supply Contracts Group Inc. in Chantilly, ships desks and chairs to federal offices around the nation. In the past week, some of those shipments have gone into limbo because the federal doors are closed. "This stuff is floating all over the country," he said.

He said he is out several hundred thousand dollars in shipments on which the government has not made payment and he intends to see that the bills are paid, with interest. But who knows where the invoices are? Somewhere in the mountains of unprocessed paperwork in federal mail rooms, he said. "I'm going to have to wait a . . . long time while they work through that paperwork and get to us," he said.

Meantime, his staff has shrunk from 19 to 11 since government purchases began to slow last summer, he said. "It's utterly stupid."

The long-term consequences of the upheaval may hurt local federal contractors for months to come, according to executives such as J.P. "Jack" London, chairman of CACI International Inc., an Arlington-based information technology company.

The next batch of contracts his company would compete for may well be delayed by the shutdown. "It takes people to put those out," London said.

[From the Washington Post, Jan. 3, 1996]

JOBLESS AID, TOXIC WASTE CLEANUP HALT

(By Stephen Barr and Frank Swoboda)

Kansas stopped paying unemployment benefits yesterday, the first time a state has turned away claims in the federal program's 60-year history.

The Environmental Protection Agency sent home 2,400 of its "Superfund" workers

and stopped toxic waste cleanup work at 609 sites across the nation, throwing hundreds of contract employees out of work.

Eleven companies, including Blue Cross, are using \$5 million to \$6 million a day of their own money, rather than the government's, to process Medicare claims and pay their employees.

With the holiday season over, the impact of the partial government shutdown came into sharper focus as private sector companies and state agencies struggled with the ripple effects from Washington. It also generated more disgust with Washington's ways.

"We've never been through anything like this before," said Ronald Frank, executive vice president of Ecology and Environment, a Superfund contractor based near Buffalo that will furlough a "couple hundred" workers today. "I don't think this is the way the system ought to work."

Stephen Crickmore, the president of AdminiStar Federal in Indianapolis, administers Medicare claims for the government. He has been paying 650 employees out of company reserves since the shutdown started on Dec. 16.

"If they had their own business, would they run that business this way?" he asked, referring to Congress. For the government to have no plan to ensure that its programs will continue operating, he said, "seems kind of ridiculous."

His company, Crickmore said, is "looking at how long we're going to continue what we're doing at this point, which is subsidizing the federal government." Early next week, he said, the company will have to decide whether to furlough employees.

Other companies, however, have started sending workers home. EPA contractors across the country received "stop work" orders yesterday, the first wave of several that could jeopardize the jobs of up to 10,000 Superfund workers.

In Houston, Peter Arrowsmith, president of NUS, a Superfund contractor, said his company had started laying off employees and would soon have 125 employees, 15 percent of his work force, sent home without pay.

Michael Tilchin, director of Superfund programs at CH2M Hill Ltd., said "hundreds of employees" would be furloughed. His company is helping clean up an old manufacturing plant in Hellertown, Pa., where hazardous wastes have contaminated the ground water.

The job is 95 percent complete and may have an "unintended consequence," Tilchin said. "In the event the shutdown persists, the costs of shutting it down and restarting it may be larger than the cost of completing the work," he said.

Like the other EPA contractors, Frank said his New York-based company would furlough "a couple hundred" workers today unless the White House and Congress agreed to end the shutdown.

Administration officials, such as Labor Secretary Robert B. Reich and Health and Human Services Secretary Donna E. Shalala, have said repeatedly that the shutdown would disrupt services to a wide range of Americans, not just federal employees. But Republicans, such as Sen. Phil Gramm (Tex.), have argued that, if anything, the shutdown would show what little role the government plays in the lives of ordinary citizens. Republicans point out that the agencies now closed kept about 480,000 employees on the job to provide services while sending a smaller number—280,000—home.

Yesterday, Reich pointed to the closure of the Kansas unemployment offices as an ex-

ample of the shutdown's fallout, saying, "The people who have lost their jobs in Kansas this week are simply out of luck."

The Labor Department estimated there are between 1,900 and 2,600 new claims for unemployment benefits in Kansas each week. Wayne Franklin, state secretary of human resources in Topeka, said the state did not have the \$60,000 a day to keep the unemployment benefits offices open.

Kansas has plenty of money in the unemployment insurance trust fund to pay the benefit claims, but it relies on the federal government to pay the cost of administering the program.

At least 10 other states and the District of Columbia also have exhausted federal funds to administer their unemployment insurance programs, Reich said. District officials said yesterday that 40,000 furloughed federal employees have filed unemployment claims related to the current shutdown. The city, which usually pays about 35,000 claims a year, could issue its first shutdown checks next week.

Reich said officials do not know how long the District offices can stay open. New Mexico, which has a relatively large federal population, also has run out of federal money. "It is an open question whether they'll be able to continue at all," Reich said.

Alaska will try to stay open until Saturday, while Alabama is also using state money to finance the unemployment program through Friday.

In Little Rock, officials with the Arkansas Rehabilitation Services virtually disbanded their state agency for the disabled because the federal money has stopped coming from Washington.

Commissioner Bobby Simpson said he had to furlough 495 of the agency's 603 employees, meaning that 17,000 Arkansas residents with physical and mental disabilities will have no office to turn to for help with job training, special vehicles for commuting to work, and other services. The state rehabilitation office, which has an annual budget of \$38 million, receives 76 percent of its funding from the federal government.

"It's ironic because we're in the business of putting people to work, of helping to turn tax users into taxpayers," Simpson said. "We held on as long as we could. . . ."

Despite the problems in some states, reports yesterday by Washington Post correspondents showed that other states were coping with the shutdown, keeping their services available even when faced with lapses in federal funding.

Michigan, for example, has been using its own revenue to make up for the cutoff of federal funds in crucial programs such as Aid to Families with Dependent Children (AFDC) and Medicaid, said John Truscott, a spokesman for Gov. John Engler (R). "We can't fund them forever, but for the next couple of weeks we're okay," Truscott said.

Wisconsin is preparing to use more of its own funds for those two major programs this week but is counting on an eventual reimbursement from the federal government, said James R. Klauser, the state's secretary of administration. He said AFDC and Medicaid payments range between \$25 million and \$40 million a week in Wisconsin. "We look at it every week," he said. "We're comfortable right now."

California is losing more than \$5 million a day in tourism revenue. Officials of Mariposa County, the home of Yosemite National Park, asked Gov. Pete Wilson (R) to declare the county an economic disaster zone, but Wilson turned down the request, saying it exceeded the scope of his authority.

The shutdown also cut into the pensions of about 150,000 retired railroad workers. The retirees, most over 70 years of age, receive a portion of their pension from appropriated funds and the rest from a retirement trust fund. They will lose about two-thirds of an average \$130 monthly payment that is paid directly from the treasury; the rest of their annuity from the railroad trust fund will not be reduced.

Federal agencies, meanwhile, continue to struggle to provide services.

Only two of the 15 employees that the Department of Housing and Urban Development has in Flint, Mich., for example, have been allowed to report to work during the shutdown. That has forced the office to delay opening any bids from families or real estate agents for HUD property. Also, none of the roughly 500 families who have home-purchase loans through the field office have been able to get any help, especially those who are drifting further into delinquency.

"The sense of emergency is much higher now than before," HUD coordinator Gary Levine said. "The three-day shutdown before wasn't so bad. Three weeks is. This is no way to treat the public."

The PRESIDING OFFICER. The Senator from New York.

NEW YEAR'S GREETINGS

Mr. D'AMATO. Mr. President, first, I extend New Year's greetings to all my colleagues and constituents and wish them and their families a healthy new year.

COMING TOGETHER ON PRINCIPLES

Mr. D'AMATO. Mr. President, as we embark on this new year, I think it might do us all well if we were to put aside the rhetoric of confrontation and attempt to come together on some principles that so many have articulated for so long but have failed to really enact. I do believe there might be a handful—and I say a handful—who do not believe there should be a balanced budget. I have not identified anyone. No one has ever told me they are opposed to that, whether they be Democrats or Republicans.

Over the 15 years now that I have been here, I have seen us work, Democrats and Republicans, to attempt to achieve that. I have seen us pass Gramm-Rudman in an attempt to bring about a balanced budget.

On the campaign trail, it is great fodder to say I am for a balanced budget, I want that, and yet when it comes to doing the business of the people, we have failed to do that. We have failed to achieve it. And the reason is because it is not easy. It is difficult. The reason is that because the same people, our constituents, who, on the one hand, say and demand we do the business of the people, as we should, in a responsible manner, that we cut out the wasteful programs, that we reform systems such as the welfare system that certainly

needs an overhaul and should be reformed and turned into a workfare system, when it really comes down to implementing what is necessary to achieve a balanced budget, the same people in many cases are the first to come to us and to beseech us to cut spending, but, by the way, there is a good program and it is in education or it is in the arts or it is as it relates to transportation or drug treatment, all of these good programs that are for seniors and do not cut that program.

Everybody has a favorite program. That is without even touching the area of entitlements that people are afraid to even speak to. The fact of the matter is that if you were to reduce or eliminate the spending in all of the discretionary programs, eliminate any of the moneys that we spend on education, any of the money that we spend on the military, on defense, and all of the money that we might spend in housing and urban development, in mass transit, eliminate it all, that unless we begin to curtail the growth in the entitlement programs, begin to reduce that growth in Medicare, in Medicaid, why, then, it makes no sense, we will continue to operate with huge deficits.

That means we are mortgaging the future of our children and their children and future generations. I suggest that that is not responsible. That is an easy way out. That is what has been taking place for far too long.

So as we embark upon this new year, I hope that maybe we will stop being accusatory, one side blaming the other—all of us know that this is not going to be easy—but attempt to come together and to say, how can we moderate the growth in these programs?

I have heard friends of mine, Democrats, indeed, at the White House, the President, Mrs. Clinton, have talked about slowing the growth in these programs. How is it now that that rhetoric has turned so harsh? How is it now that those who attempt to implement the same suggestions that were put forth by the White House in good faith are now accused of attempting to savage senior citizens?

That is inaccurate. It is not fair. Rather than one side or the other being accusatory, why do we not attempt to build on those things that we agree on? If we agree there is a need to balance the budget, if we agree and we have spoken to doing it within a prescribed period of time, if we have agreed that we would use realistic numbers and not pie in the sky, why do we not begin to do this?

It would seem to me that the people of the United States have every right to be angered at both the administration and the Congress for not resolving these differences in an appropriate fashion by working at it and not by delaying and not by taking extended vacations and not by PR and not by spin

doctors, but by coming down honestly to resolve this in a manner that all of us know can and should be done.

So I do not come to the floor for the purposes of blaming one side or the other or pointing a finger toward the administration or saying that all that we have put forth in our balanced budget proposals must be and should be adopted. But certainly within the bounds of those that have been suggested, those suggestions by the administration, and within the bounds that have been put forth by the Congress, there is ample opportunity, there has been and there is now, that if we exert ourselves and exhort ourselves not to try to be one up on the other side, one up so we can aggrandize it and claim credit, then why do we not take a look at what we owe the people?

There are suggestions that make sense. It would call for some collective coming together and some courage to be demonstrated on both sides. The senior Senator from New York, my colleague, Senator MOYNIHAN, has put forth as a suggestion looking at the CPI. The CPI no longer adequately reflects what the true costs are as it relates to goods and products and services and indeed has been estimated as being off by as much as one-third—one-third. We say, what is 1 percent? But 1 percent, if you have a 3-percent increase in the inflation rate, is one-third.

Why not then use legitimate numbers to measure what the cost-of-living increase is, what the cost for the consumer really is? That would take some courage on both parts, on the side of the Republicans and the Republican Congress as well as our colleagues on the Democratic side, and on the side of the White House. But, my gosh, if it is a fact, and if it is true, why do we not come together and say, this is the place to start?

We might be able to save \$150 billion. Imagine that. Why can we not have the good common sense, again, collectively, Democrats and Republicans, both in the Congress and in the administration, the Executive, to say this is something we can agree on? If we do it together, that together we can go forward and say this is the right thing to do, why then, that is what we should be expected to do.

I do not know that it should even take such great courage. But if one side is afraid the other will then run to the various lobbying groups and to the seniors and claim that they are trying to cut back their increased benefits, then let us do it collectively, let us go forward collectively.

There is \$100 billion-plus that can be saved. Should it be saved? I suggest that we have an obligation to do that and, again, to do it together. I suggest that we are wrong in postponing the inevitability of what will take place, which is mortgaging the future and

saddling future generations with this great burden, which will mean that they will lose the opportunities that we had in terms of home ownership, in terms of jobs, in terms of creativity that otherwise is going to be stifled in this country.

It seems to me that there are areas that we can agree upon. You cannot continue to double the growth of any program every 7 years. It is a simple mathematical proposition that if you increase spending at the rate of 10 percent per annum over 7 years, you come up with the figure of 2. You have doubled whatever that cost is. So in the area of Medicare, if you are spending \$100 billion now, and you increase spending by 10 percent per annum, in 7 years it will be \$200 billion.

Does that make sense? Of course not. So it would seem to me that together we should begin to say, how can we moderate the growth in various programs? Yes, good programs, necessary programs. Where can we achieve savings? How can we do that?

In the area of taxes and tax relief, does any side really believe one side wants to advance the interests of the wealthy over those of working people, over those of people who are struggling to make a living? It might be good rhetoric politically for one side or the other to charge that, but how does that advance the business of doing what we should on behalf of the people? We detract, and we detract from ourselves. We detract from the process. And people then come and say, "We need a change. We need to change what is going on. A pox on both your houses."

I hope we would begin to address, where can we give tax relief? And who is entitled to tax relief? Are working-class, middle-class families with children entitled to that relief?

Mr. President, I thank you for the opportunity of putting forth just some suggestions in a new year, in the spirit of attempting to come together and to do the business of the people. I hope we could all reach out together, Democrats, Republicans, legislative and executive, to do that business.

Mr. President, I yield the floor.
The PRESIDING OFFICER (Mr. BOND). Who seeks recognition?
Mr. DORGAN addressed the Chair.
The PRESIDING OFFICER. The Senator from North Dakota.

ISSUES WE MUST ADDRESS

Mr. DORGAN. Mr. President, at noon today we began a new session of the 104th Congress. The first order of business, as described by my friend, the Senator from Maryland, Senator SARBANES, is to end this shutdown and get people back to work and pay Federal employees for the work they do.

Someone yesterday on the floor said, "Well, my constituents cannot understand this shutdown of the Federal Government."

There is good reason for that, because it is not an understandable kind of thing. It made no sense. It never made any sense for anybody to say to 280,000 Federal workers, "We prevent you from coming to work, but we're going to pay you for not performing work we won't allow you to perform."

What kind of logic is that?

And then to say to half a million others, "We insist you come to work and we won't pay you until we resolve the dispute between the White House and the Congress on the budget."

What on Earth kind of logic is that? The first order of business is to end this shutdown that has never made any sense.

The second order of business is to reach an agreement on the budget, one that, yes, does balance the budget, does it in 7 years and does it the right way with the right priorities.

There are other things we need to do this year. There are other priorities. At the start of this session a couple of hours ago, I heard a description of some of the successes of the last session and, indeed, there were some successes in the last session. I might say one of the disappointments of the last session for me and many of us who come from farm country was the inability to have enacted into law a 5-year farm program. There is great difference in Congress about what kind of a farm plan we ought to have. There were virtually no hearings, there was no bipartisan markup, very little bipartisan discussion about a farm program this past year. One was cobbled together, posthaste, and put in a reconciliation bill that everyone knew was going to be vetoed.

The result is we now cross into the new year with no 5-year farm program. I think that is unfair to farmers. It is important to tell farmers and their lenders what kind of a farm program we will have this year as they begin planting their crops this spring. My hope is the Congress will turn its attention to this, have a fair debate, have some hearings about a decent farm program, what works to help family farmers in this country. My hope also is while we do that, the Congress will extend the current farm program for 1 additional year. It seems to me that will provide some certainty, at least, with what will happen with respect to 1996, and then it seems to me we ought to decide to write in 1996 a good farm program, one that saves money, yes, but one that saves family farmers and gives family farmers an understanding that there is a safety net so they will have a chance to make a living when international prices go down and stay down.

So I hope the Congress will consider extending the current farm program for 1 year, and I hope the Congress will be serious and the Congress will decide quickly to begin hearings and to begin

a thoughtful discussion about what kind of farm program works for the long-term future of family farmers in this country.

I want to mention two additional items. Not very many minutes ago a Member of the Senate stood up and said one of the problems we face is the construction of a national missile defense program. He spoke very persuasively—not for me but very persuasively for his point of view—that we need a national missile defense program.

This is not about partisan politics, it is about fundamental disagreements about how we spend money. Stripped apart, someone who calls for a new national missile defense program is calling for a new spending program of \$48 billion. Those who say we ought to tighten our belts and cut Federal spending and then stand up and say, "By the way, we want to start a new star wars"—and, by the way, it is star wars, there are space-based components included in the program—a multiple-site national missile defense program, are standing up and saying, "We want to embark on a \$48 billion new program to construct star wars." I am just saying that is out of step with what we ought to be doing.

The cold war is largely over. In Russia today, they are destroying missile launchers and destroying warheads as part of the agreements we have on weapons reductions, and then we have people stand up and say, "By the way, let's begin a new \$48 billion program for star wars, and we insist that you order 20 new B-2 bombers for over \$30 billion that the Pentagon says they can't afford, don't need, and don't want."

So I urge us this year to have an aggressive thoughtful debate on those policies as well. If we want to cut spending, and we should, if we want to save money, and we should, if we want to balance the budget, and we ought to, we cannot afford, in my judgment, to order star wars or B-2 bombers the Pentagon says they do not want and this country does not need.

Finally, there is another issue that we have to address in 1996, and that is the issue of jobs. We need to balance the budget because it is the right thing to do and will give us a better economy. I agree with that. But we also ought to care about specific policies in this country that relate to jobs.

Yes, an expanded economy produces jobs. So does a decent trade system. Mr. President, you know something, with all of the angst, with all the nail biting and with all the finger tapping on the desks around here, the shrugging about this, that, or the other thing, the merchandise trade deficit in this country will exceed the budget deficit this year, and you do not hear a whimper about it on the floor of the Senate.

Let me say that again. We will have a larger trade deficit this year in this country than we will have a budget deficit.

Our trade deficit will be nearly \$180 billion. That means jobs have left this country, things are being produced elsewhere. And we have a bunch of economists who are measuring economic progress in this country by what we consume. Every month they flail around and say, "Gee, America is doing well because we are consuming more."

The genesis of economic health, it seems to me, the seedbed of jobs and opportunity in the future is not what we consume, but rather what we produce. Do we have good manufacturing jobs in this country?

Among the discussions of trade must be a discussion about NAFTA. I just want to show my colleagues a chart. The red, incidentally, is a trade deficit, trade with Mexico. Before NAFTA, before a trade agreement, a trade agreement which, incidentally, we never seem to be able to win—every time we show up at a negotiating table on trade, we seem to lose—we had a trade surplus with Mexico. We reached a trade agreement, and what happens? Well, we have a deficit with Mexico. This year, that deficit will be \$16 to \$18 billion. We will have lost about 200,000 American jobs to Mexico.

Take Mexico and Canada together, because that is what NAFTA really is, two countries. Look at the cumulative trade deficit with both countries, which will reach about \$40 billion this year. I will during the next 4 or 5 months every month come to the floor to discuss the trade deficit with Japan, over \$60 billion and the trade deficit with China, over \$30 billion, all of which means fewer jobs and less economic opportunity in this country. It seems to me that we ought to turn our attention in 1996 to the question of who are we and what do we want to be in terms of providing opportunity in the private sector in the form of jobs to the American people.

Do we decide we want to compete with people who make 12 cents an hour and hire 12-year-olds to work 12 hours a day? Not me. That is not fair competition. Yet, the product of child labor flows into this country every day in increasing quantities. The product of labor that makes a quarter an hour making tennis shoes, 30 cents an hour making shirts, 80 cents an hour making shoes, flows into this country every single day, and it displaces American workers who, if they are able to find another job, find a lower-income job. And if they are not able to find another job then become unemployed, or those who are despondent, or those who see somehow a stock market that reaches record highs, productivity on the rise, CEO salaries never higher and discover that American workers get laid off or that 60 percent of American families—

who, during dinner at night, discuss their situation—understand that they now make less money than they did 20 years ago when you adjust their income for inflation.

Part of the discussion we must have as a country, Republicans and Democrats, conservatives and liberals, CEO's and workers, the private sector, Wall Street and Main Street, is what about economic opportunity in this country? Will we continue to measure our economic health by what we consume, or will we decide that our productive sector, our manufacturing base, the seedbed with good jobs, with good incomes make a difference to this country? Will we decide to do something about that?

Will we decide to stop and put an end to the insidious, perverse tax provision that says if you close your U.S. plant and move it overseas, we will give you a tax break? That exists in law. I have had a vote on that in the Senate and lost. It is inconceivable to me that we would retain in our Tax Code a provision that says if you will shut your American manufacturing plant down, lay off your workers, and move those jobs to a tax-haven country somewhere else in the world and then manufacture the same product and ship it back in to our country, we will give you a tax break.

It is inconceivable that this Congress does not act to say we stand for American producers and American workers. No, we do not build walls around our country, but we want our country to compete in an economic system where competition is fair.

I hope in the coming months that this Congress will decide that trade deficits matter; that record trade deficits, the highest in the history of the world that this country absorbed in 1995, are intolerable.

Trade deficits that are bigger than our budget deficits are intolerable. This country needs to do something about it. For those who wonder about some of the issues, on NAFTA, which is the one trade issue, there was something released yesterday by Public Citizen. It says that NAFTA has broken promises. It is a rather lengthy, footnoted document. There are many other evidences of the same problem.

My interest in 1996 is that all of us, together, decide that budget deficits matter and we are going to balance the budget; trade deficits matter and we are going to address the chronic trade problems; farm programs matter and we are going to construct a farm program that makes sense for the family farmers of this country.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

REFLECTION ON THE PAST YEAR

Mr. THOMAS. Mr. President, I rise to reflect a little bit on the past year but,

more importantly, to reflect on it as it pertains to what we do in the coming year. I am sorry this year has ended in the conflict over the balanced budget. That has been one of the principal items of this entire year. We have worked on it almost all year. We worked on it in terms of a constitutional amendment to balance the budget. It failed by one vote. We worked on it then through the appropriations process into a reconciliation balanced budget bill, which changed a great many things. A balanced budget is much more than, of course, simply arithmetic or numbers. It is a fundamental change in the direction this Government takes.

So I am sorry that we ended up with this conflict, and I am sorry that Federal employees have become sort of trapped in it. I hope that that changes soon. I hope more than anything that we are able to complete the work that we started on the balanced budget.

I have been in this body now just for 1 year, and I came, as I think most of us came, in 1994, with a message from home that the Federal Government is too big, it costs too much, and the Federal Government is generally too intrusive in our lives. I believe that, and I think most people believe that.

One of the measurements of good government is the responsiveness, I think, to the voters, and to what people at home have suggested. So this year, then, in terms of those kinds of things, it has been a little frustrating. It has been frustrating in that we have come up to a balanced budget amendment, which I thought was necessary, but we could not quite get there.

We have done a great deal on welfare reform. We passed it in this body with a good vote, and now there has been some change in terms of accepting that reform. Then there is regulatory reform. Almost everybody recognizes that the regulatory system results in overregulation and results in regulation that is not efficient, and that the cost benefits often need to be measured there.

On the other hand, it has been a very fulfilling year, it seems to me. I came to Congress in 1989 when Dick Cheney went over to Defense, and I spent 5 years in the House. During that time, it seems to me, there was very little real consideration of change, little discussion of fundamental change in the way this Government behaves and operates. Instead, we sort of dealt with the policies that had been there for a very long time. There was a good deal—and continues to be—of protection of the Great Society kind of programs, the little tinkering around the edges when they came up for renewal. If they did not work right, if the results were not what we hoped they would be, whenever there was measurement of results—which, frankly, is not often enough—then the chances are

that we put more money into the program. We continued to increase spending over this period of time, and the effort was basically to see how much increase there was going to be. If we did not like the product, we would put more money in it. Welfare is one of the best examples. Of course, more people are in poverty now than when the welfare program started over 30 years ago. The program needs to be changed.

I understand resistance to change. Change is much more difficult than maintaining the status quo. I think that is part of what is happening here. Some are simply concerned about the uncertainty of change. Nobody knows exactly what will happen. Others, of course, have real philosophical differences. There are people in this body and in this country who believe more Government is better, who believe that the answer to questions that exist with respect to jobs and the economy and services is more Federal Government. I do not happen to share that view. Frankly, the majority does not believe that.

But this has been, I think, a very encouraging year, a very exciting year, because we have reformed and reframed the debate. Instead of extending all the programs and talking about tinkering around the edges, we have begun to look at the merits of the programs and ask, "Is this a program that needs to be carried out by the Federal Government, or is it one that could be better carried out by the State government? Is it accomplishing the purpose for which it was established?" We are beginning to measure some results, which is kind of an unusual process in the Federal Government. So we have changed the way we look at things. I think that is very helpful.

The debate now has been about holding down spending, not about how much you are going to raise it, but whether we can hold down the rate of spending some. That is a difficult thing to talk about because what do you hear on the floor and in the media? "They are going to cut Medicare. There will be no more benefits out of Medicare."

We know that is not true. We know that Medicare, under the proposal, continues to grow at 7.2 percent annually, as opposed to 10 percent, and the spending per beneficiary goes from \$4,700 to over \$7,000. But we hear it is going to be cut, that we are going to ruin it, exterminate it, because that is the easier conversation. But we have talked about that and we changed that conversation.

Instead of talking about more and more intrusion into State and local government, we are talking about block grants, about the 10th amendment, which says clearly that those things not set forth in the Constitution to be done by the Federal Government should be left to the States and the people. It is pretty clear and simple.

I happen to come from a small State. Some of our needs are quite different than they are in New York. Greynull's welfare problems are different than they are in Pittsburgh. We need to be able to manage it. Instead of talking about how that should grow on the Federal level, we are talking about block grants. We have changed the discussion, and that is healthy.

We are talking about balancing the budget. We have not seriously done that for 30 years. Sure, somebody mentions it occasionally. The President has agreed to it. I will have to admit there have not been results from that yet, but I think that perhaps there will be. To balance the budget in 7 years with CBO numbers is a promise that we have. That is a change.

So, Mr. President, we have not accomplished all that we would like, I am certain. On the other hand, I have to tell you that I am encouraged that we have changed the direction of this body and I think we have changed the framing of the discussion; the purposes have changed. We are going in a different direction. We have not accomplished as much as we would have liked, but we will.

In this coming year, it is very important to continue what has begun. Mr. President, I wish you and my colleagues well as we enter into a new year, representing the people of America. We are, after all, the board of directors, the trustees here. We are responsible to respond to our people. We are responsible to respond to what the voters said. We are responsible to make some decisions, by the way, instead of negotiating for 2 months. I am pretty exasperated with that process, as I know everybody is.

In any event, it is a new year, a good year, and I look forward to some fundamental changes in this country, as I think most people do.

TWO SIMPLE STEPS TO BALANCING THE BUDGET IN 7 YEARS

Mr. MOYNIHAN. Mr. President, the shutdown of the U.S. Government is becoming a crisis. A recent article in the New York Times carried this headline: "Judge Says Budget Impasse Could Shut Nation's Courts." The article reported that:

TWO SIMPLE STEPS TO BALANCING THE BUDGET IN 7 YEARS

(By fiscal year, in billions of dollars)

	1996	1997	1998	1999	2000	2001	2002
Deficit under administration's proposal as estimated by CBO	148	162	155	148	145	130	115
Drop Tax Cut	-3	-13	-14	-16	-22	-24	-25
CPI minus one percentage point	-5	-15	-26	-37	-51	-66	-82
Additional savings on debt service		-1	-1	-2	-3	-4	-6
Deficit Disappears	140	133	114	93	69	36	2

Compiled by Senate Finance Committee Democratic staff from CBO estimates. January 2, 1996.

[From the New York Times, Dec. 23, 1995]
JUDGE SAYS BUDGET IMPASSE COULD SHUT NATION'S COURTS

(By Robert D. Hershey, Jr.)

WASHINGTON, December 22.—A senior judge who represents the policy-making board of the Federal judiciary today warned that the budget stalemate might force the nation's courts to shut down shortly after New Year's Day.

Gilbert S. Merritt, the chief judge of the United States Court of Appeals for the Sixth Circuit, said in an interview that "a breakdown in constitutional order" could occur if money was not authorized soon.

His warning came as an additional 20,000 workers were ordered off the job today, bringing the total number of furloughed Federal workers to 280,000, about one in seven people on the Government's nonmilitary payroll. The partial shutdown reached its seventh day today, surpassing the six-day shutdown that involved 800,000 workers in mid-November and making it the longest on record.

The White House and Congress are trading accusations over who is more to blame for the deadlock. The shutdown results from their inability to agree on several spending bills needed to finance Government operations in the fiscal year that began on Oct. 1. Meanwhile, they are also arguing about legislation to balance the Federal budget by the year 2002.

The White House has issued a six-page list of Government functions suspended by the budget deadlock, ranging from granting farmers special permission to use restricted pesticides on crops to the reimbursement of banks for Government-guaranteed loans that have defaulted.

Judge Merritt's warning came in a separate statement. The 840 Federal judges would remain available for work, he said, but it is unlikely that the courts would continue to be staffed by clerical, probation and security personnel.

"The judges cannot run the court system alone," said Judge Merritt, who sits in Nashville. "And if the judiciary shuts down, you can't arrest people for Federal crimes because you can't bring them to court."

Republicans said the White House was to blame for the problems. "President Clinton shut down the Government," said Michele Davis, spokeswoman for Representative Dick Army of Texas, the House majority leader. "He vetoed three bills last week that would have reopened" national parks, museums and monuments, and restored the missing services, she added.

The shutdown of the national parks forced the cancellation today of the first of the annual Bracebridge dinners at Yosemite National Park in California. Bracebridge, an Ahwahnee Hotel tradition since 1927, recreates a Renaissance feast and includes an eight-course meal.

About 1,650 guests, picked by lottery from among 60,000 requests, were turned away after park rangers closed the gates to Yosemite on Wednesday.

A senior judge who represents the policy-making board of the Federal judiciary today warned that the budget stalemate might force the nation's courts to shut down shortly after New Year's Day.

Mr. President, this is unthinkable. It is time to settle, and a settlement ought to be within reach. Here are two simple steps that I propose be taken immediately to break the stalemate and balance the Federal budget in 7 years:

First, drop the tax cut; and second, a 1-percentage point correction in the Consumer Price Index.

Under the President's December 1995 budget as scored by CBO, these two steps get you to a balanced budget in the year 2002. It's as simple as that. It's doable and ought to be done, and it ought to be done now.

Mr. President, I ask unanimous consent that a table entitled "Two Simple Steps to Balancing the Budget in Seven Years," and the article from the New York Times of December 23, be printed in the RECORD.

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

Although the Clinton Administration cited various aspects of law enforcement among its examples of lapsed activity, it did not mention the threat Judge Merritt found to the judiciary.

"If this goes into the first week in January, we are going to have a serious problem," the judge said in the interview. He spoke as the chairman of the steering committee of the Judicial Conference, the policy-making body of Federal judges.

Chief Justice William H. Rehnquist has long urged Congress to consider a separate financing bill for the judiciary, but there has been no response so far, the judge said. The judiciary is now running on funds it gets from fees, which are not allocated to any specific year's budget and which it is allowed to spend on its own. But this money will soon run out, Judge Merritt said.

The White House list included such highly visible examples of service loss as 23,000 passport applications not being accepted on the average day, 383,000 daily visitors affected by the closing of the national parks and 92,400 people in Washington denied admittance to the Smithsonian museums, the National Zoo and the National Gallery of Art.

Among other effects of the shutdown on the list were these:

Suspension of activity involving sales of timber from national forests.

No processing by the Federal Housing Administration of 2,500 home purchase loans and refinancing.

Suspension of civil enforcement actions by the Environmental Protection Agency, except for Superfund cases, that yield an average of \$3 million a day in fines or injunctive relief against polluters.

No processing of 20,000 applications a day for student loans or Pell grants.

Blockage of more than \$92 million a day in foreign sales because of the closure of the center that licenses exports of military items and sensitive technology.

In a related development, the Bureau of Labor Statistics said that publication of the Producer Price Index and the Consumer Price Index, scheduled for Jan. 11 and Jan. 12, respectively, would be delayed about a week even if furloughed employees returned to work by Tuesday. And employment figures for December scheduled to be made public on Jan. 5, will be delayed if workers do not return by Tuesday.

"The absence of this information potentially could create a degree of short-term paralysis in decision making with resulting long-term adverse effects on the nation's economic well-being," said Commissioner Katharine G. Abraham. "For example, companies could delay investment or hiring decisions, causing a decline in output and national income."

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, almost 4 years ago I commenced these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

In that report of February 27, 1992, the Federal debt stood at \$3,825,891,293,066.80, as of close of business the previous day. The point is, the Federal debt has increased by \$1,162,604,087,046.50 since February 26, 1992.

As of the close of business Tuesday, January 2, the Federal debt stood at exactly \$4,988,495,380,113.30. On a per capita basis, every man, woman, and child in America owes \$18,936.41 as his or her share of the Federal debt.

THE 1995 BUDGET AND APPROPRIATIONS PROCESS

Mr. DASCHLE. Mr. President, as 1996 begins, and the 2d session of the 104th Congress convenes, we need to take a close look at the record of this Congress' first year. In reviewing that record, one stunning failure stands out above all others. The majority in 1995 presided over perhaps the most bungled budget and appropriations process ever seen in Congress. The majority failed to meet every budget deadline set by law, and every deadline they set for themselves.

Rather than react responsibly to bring order to this process, Republicans instead chose to shut down the government twice. The most recent shutdown, now in its 19th day, is by far the longest in history. Both of these shutdowns have been unnecessary, wasteful of taxpayer funds, and have inconvenienced thousands of Americans who paid their taxes only to have basic services denied them.

Let there be no mistake: Despite some of the rhetoric we have heard, the responsibility for the shutdown falls squarely on the shoulders of Republicans in the House of Representatives. Nothing makes that clearer than the action by the Senate on January 2 to approve a continuing resolution that would fund the Government until January 12. The other body could take up and enact that legislation in a matter of minutes. Yet because of objections by self-proclaimed revolutionaries in the other body, the shutdown continues. These extremists plan to hold the Government and its workers hostage to force the administration to accept a budget that has already been rejected by the President and the American people.

A brief review of the botched budget process this year explains how Congress got into this mess. The Budget Act requires the Senate Budget Committee to report a resolution by April 1. The majority missed that deadline. The Budget Act requires Congress to complete a budget resolution by April 15. Again, the majority missed that legal deadline. By June 15, the Budget Act requires Congress to complete action on a final budget reconciliation bill. Today, over 6 months later, we are still discussing that legislation at the White House. In fact, they did not even complete work on the budget resolution until June 29.

The majority has missed every legal deadline for the appropriations process, as well. By June 10, the Budget Act requires the House Appropriations Committee to report all 13 appropriations bills. The majority failed to report even one of them by that date. By June 30, the Budget Act requires the House to complete action on all 13 appropriations bills. They had completed only two. By October 1, the beginning of the fiscal year, all 13 appropriations bills are supposed to be enacted. On October 1, 1995, Congress had sent only two of them to the President.

Not only has Congress failed to meet its legal responsibilities. It is now failing to meet its constitutional responsibilities to properly fund the Government. Last year was not the first time the President differed with Congress on appropriations bills. When Democrats controlled Congress and Republicans controlled the White House, Democrats handled Presidential vetoes very differently than the majority does today. In 1990, President Bush vetoed the District of Columbia bill twice, and he also vetoed the foreign operations and Labor/Health and Human Services bills. He again vetoed the District of Columbia bills in 1992 and 1993, and the Labor/HHS bill in 1992. In each of these cases, Congress approved a continuing resolution to avoid a shutdown while Congress and the President worked out differences over these bills.

There is no reason that Congress cannot again this year approve stopgap

funding while Congress and the President negotiate differences over outstanding appropriations bills that should have been completed long ago. In fact, the President has indicated that, with relatively minor changes, he would quickly sign the bills he has vetoed, and the Government could be put back to work.

Mr. President, I ask unanimous consent that at the conclusion of my statement, the veto messages of the President regarding the VA/HUD, Commerce/State/Justice, and the Interior appropriations bills be printed in the RECORD.

As these messages make clear, agreement is within reach if extremist riders are removed and limited funding for high-priority programs is restored. The only reason that this has not been done already is that certain leaders in the other body seek to impose their radical agenda on America by holding these bills hostage. The Founding Fathers, in writing the Constitution, expected more responsible behavior from leaders in Congress, and did not anticipate that Congress would renege on its basic obligation to maintain the functioning of Government because one faction expected to gain partisan advantage.

Mr. President, I would ask my colleagues to review these veto messages, and begin working to bridge the differences by negotiating in good faith, and stop using coercive tactics to extract advantage. I hope very much that the House will act today on the clean continuing resolution approved by the Senate yesterday. Ending the irresponsible shutdown would be a good demonstration of leadership, and would clearly add a positive note to the bipartisan negotiations over balancing the budget that are now taking place.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

To the House of Representatives:

I am returning herewith without my approval H.R. 2099, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996."

H.R. 2099 would threaten public health and the environment, end programs that are helping communities help themselves, close the door on college for thousands of young people, and leave veterans seeking medical care with fewer treatment options.

The bill includes no funds for the highly successful National Service program. If such funding were eliminated, the bill would cost nearly 50,000 young Americans the opportunity to help their community, through AmeriCorps, to address vital local needs such as health care, crime prevention, and education while earning a monetary award to help them pursue additional education or training. I will not sign any version of this appropriations bill that does not restore funds for this vital program.

This bill includes a 22 percent cut in requested funding for the Environmental Protection Agency (EPA), including a 25 percent cut in enforcement that would cripple EPA efforts to enforce laws against polluters.

Particularly objectionable are the bill's 25 percent cut in Superfund, which would continue to expose hundreds of thousands of citizens to dangerous chemicals and cuts, which would hamper efforts to train workers in hazardous waste cleanup.

In addition to severe funding cuts for EPA, the bill also includes legislative riders that were tacked onto the bill without any hearings or adequate public input, including one that would prevent EPA from exercising its authority under the Clean Water Act to prevent wetlands losses.

I am concerned about the bill's \$762 million reduction to my request for funds that would go directly to States and needy cities for clean water and drinking water needs, such as assistance to clean up Boston Harbor. I also object to cuts the Congress has made in environmental technology, the climate change action plan, and other environmental programs.

The bill would reduce funding for the Council for Environmental Quality by more than half. Such a reduction would severely hamper the Council's ability to provide me with advice on environmental policy and carry out its responsibilities under the National Environmental Policy Act.

The bill provides no new funding for the Community Development Financial Institutions program, an important initiative for bringing credit and growth to communities long left behind.

While the bill provides spending authority for several important initiatives of the Department of Housing and Urban Development (HUD), including Community Development Block Grants, homeless assistance and the sale of HUD-owned properties, it lacks funding for others. For example, the bill provides no funds to support economic development initiatives; it has insufficient funds for incremental rental vouchers; and it cuts nearly in half my request for tearing down the most severely distressed housing projects. Also, the bill contains harmful riders that would transfer HUD's Fair Housing activities to the Justice Department and eliminate Federal preferences in the section 8, tenant-based program.

The bill provides less than I requested for the medical care of this Nation's veterans. It includes significant restrictions on funding for the Secretary of Veterans Affairs that appear designed to impede him from carrying out his duties as an advocate for veterans. Further, the bill does not provide necessary funding for VA hospital construction.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this bill. This bill does not reflect the values that Americans hold dear. I urge the Congress to send me an appropriations bill for these important priorities that truly serves the American people.

WILLIAM J. CLINTON.

THE WHITE HOUSE, December 18, 1995.

To the House of Representatives:

I am returning herewith without my approval H.R. 1977, the "Department of the Interior and Related Agencies Appropriations Act, 1996."

This bill is unacceptable because it would unduly restrict our ability to protect America's natural resources and cultural heritage, promote the technology we need for long-term energy conservation and economic growth, and provide adequate health, educational, and other services to Native Americans.

First, the bill makes wrong-headed choices with regard to the management and preser-

vation of some of our most precious assets. In the Tongass National Forest in Alaska, it would allow harmful clear-cutting, require the sale of timber at unsustainable levels, and dictate the use of an outdated forest plan for the next 2 fiscal years.

In the Columbia River basin in the Pacific Northwest, the bill would impede implementation of our comprehensive plan for managing public lands—the Columbia River Basin Ecosystem Management Project. It would do this by prohibiting publication of a final Environmental Impact Statement or Record of Decision and requiring the exclusion of information on fisheries and watersheds. The result: a potential return to legal gridlock on timber harvesting, grazing, mining, and other economically important activities.

And in the California desert, the bill undermines our designation of the Mojave National Preserve by cutting funding for the Preserve and shifting responsibility for its management from the National Park Service to the Bureau of Land Management. The Mojave is our newest national park and part of the 1994 California Desert Protection Act—the largest addition to our park system in the lower 48 States. It deserves our support.

Moreover, the bill would impose a misguided moratorium on future listings and critical habitat designations under the Endangered Species Act. And in the case of one endangered species, the marbled murrelet, it would eliminate the normal flexibility for both the Departments of the Interior and Agriculture to use new scientific information in managing our forests.

Second, the bill slashes funding for the Department of Energy's energy conservation programs. This is short-sighted and unwise. Investment in the technology of energy conservation is important for our Nation's long-term economic strength and environmental health. We should be doing all we can to maintain and sharpen our competitive edge, not back off.

Third, this bill fails to honor our historic obligations toward Native Americans. It provides inadequate funding for the Indian Health Service and our Indian Education programs. And the cuts targeted at key programs in the Bureau of Indian Affairs' are crippling—including programs that support child welfare; adult vocational training; law enforcement and detention services; community fire protection; and general assistance to low-income Indian individuals and families.

Moreover, the bill would unfairly single out certain self-governance tribes in Washington State for punitive treatment. Specifically, it would penalize these tribes financially for using legal remedies in disputes with non-tribal owners of land within reservations.

Finally, the bill represents a dramatic departure from our commitment to support for the arts and the humanities. It cuts funding of the National Endowments for the Arts and Humanities so deeply as to jeopardize their capacity to keep providing the cultural, educational, and artistic programs that enrich America's communities large and small.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this bill. It does not reflect my priorities or the values of the American people. I urge the Congress to send me a bill that truly serves the interests of our Nation and our citizens.

WILLIAM J. CLINTON.

THE WHITE HOUSE, December 18, 1995.

To the House of Representatives:

I am returning herewith without my approval H.R. 2076, the "Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996."

This bill does not meet the priorities and needs of our Nation and people. It would undermine our ability to fight the war on crime; decimate technology programs that are critical to building a strong U.S. economy; and weaken our leadership in the world by drastically cutting funding for international organizations, peacekeeping, and other international affairs activities.

First, the bill represents an unacceptable retreat in our fight against crime and drugs. It eliminates my COPS initiative (Community Oriented Policing Services) to put 100,000 more police officers on the street. Already, this initiative has put thousands of police on the street, working hand-in-hand with their communities to fight crime. The block grant that H.R. 2076 would offer instead would not guarantee a single new police officer. That's not what the American people want, and I won't accept it. As I have said, I will not sign any version of this bill that does not fund the COPS initiative as a free-standing, discretionary grant program, as authorized.

The bill also eliminates my "drug courts" initiative. And it unwisely abandons crime prevention efforts such as the Ounce of Prevention Council and the Community Relations Service. I am also disappointed that the funding levels in the bill fall short of my request for the Drug Enforcement Administration, and OCDEF (Organized Crime Drug Enforcement Task Force). This is no time to let down our guard in the fight against drugs.

Second, the bill constitutes a short-sighted assault on the Commerce Department's technology programs that work effectively with business to expand our economy, help Americans compete in the global marketplace, and create high quality jobs. As we approach a new, technology-driven century, it makes no sense to eliminate an industry-driven, highly competitive, cost-shared initiative like our Advanced Technology Program (ATP), which fosters technology development, promotes industrial alliances, and creates jobs. Nor does it make sense to sharply cut funding for measures that will help assure our long-term growth and competitiveness—such as our National Information Infrastructure grants program, which helps connect schools, hospitals, and libraries to the information superhighway; the GLOBE program, which promotes the study of science and the environment in our schools; the Manufacturing Extension Partnership, which helps small manufacturers meet the hi-tech demands of the new marketplace; Defense Conversion; or the Technology Administration. And I oppose the bill's harmful cuts for the Census Bureau and for economic and statistical analysis.

Third, I am deeply concerned that this bill would undermine our global leadership and impair our ability to protect and defend important U.S. interests around the world—both by making unwise cuts in funding for international organizations and peacekeeping activities, and by cutting programs of the State Department, the Arms Control and Disarmament Agency, and the United States Information Agency. These cuts would impair our ability to support important activities such as the nonproliferation of weapons, the promotion of human rights, and the control of infectious disease like the Ebola virus.

Moreover, sections of the bill include inappropriate restrictive language, including language limiting the conduct of U.S. diplomatic relations with Vietnam, that I believe

infringe on Presidential prerogatives. And I cannot accept the provision that would cut off all funding for these agencies on April 1, 1996, unless the State Department Authorization Act and related legislation had been signed into law.

Fourth, the bill includes three additional provisions that I cannot accept.

It cripples the capacity of the Legal Services Corporation (LSC) to fulfill its historic mission of serving people in need—slashing its overall funding, sharply limiting the administrative funds LSC needs to conduct its business, and imposing excessive restrictions on LSC's operations. LSC should be allowed to carry on its work in an appropriate manner, both in its basic programs and in special initiatives like the migrant legal services program.

Section 103 of the bill would prohibit the use of funds for performing abortions, except in cases involving rape or danger to the life of the mother. The Justice Department has advised that there is a substantial risk that this provision would be held unconstitutional as applied to female prison inmates.

The bill also includes an ill-considered legislative rider that would impose a moratorium on future listings under the Endangered Species Act by the National Oceanic and Atmospheric Administration and other agencies. That rider not only would make bad policy, it also has no place in this bill.

Finally, I would urge the Congress to continue the Associate Attorney General's office.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this bill. H.R. 2076 does not reflect my priorities or the values of the American people. I urge the Congress to send me an appropriations bill that truly serves this Nation and its people.

WILLIAM J. CLINTON.

THE WHITE HOUSE, December 19, 1995.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MEDICAID

Mr. DEWINE. Mr. President, we all hope that agreement can be reached very shortly on the budget. I would like to take a few minutes of the Senate's time this afternoon to talk about one particular part of that budget controversy and that is Medicaid. I would like to caution the negotiators, caution all of us on both sides of the aisle, that as we debate and negotiate on Medicaid, we really need to stay focused on the fact that this is not just a question of money. The argument is not over just money. It is not just a question of finding a dollar amount that we can all agree on, a dollar amount that we can compromise. There are also very important policy issues that we simply must deal with. The policy issues are, in a very real

sense, even more important than the dollars that are involved.

If we merely reduce the Federal contribution to the States to furnish Medicaid but at the same time do nothing to structurally fix Medicaid, then I believe we will have failed, and that failure will have devastating consequences. Instead, I believe we must seize this opportunity to fix Medicaid by removing the wasteful, inefficient, and administratively burdensome parts of the current program. If we do that, then we will improve Medicaid but, more important, we will improve poor people's health care.

So this debate is not just about money. It is not just about federalism. It is not just about State sovereignty. It is about the poor and how best to serve them, how best to develop constructive and viable alternatives that will meet their health care needs. Because the reality is, if given the flexibility, if given the freedom, the States can devise programs that cost less and at the same time provide better health care for the poor.

I would like this afternoon, therefore, to review for just a few moments where we are currently on Medicaid, where our proposal and the President's proposal would take us. Today, under the status quo, under what has become an open-ended entitlement program, the Federal Government can give States an unlimited amount of money to look after the health of their poor so long as States do two things. First, States have to provide the poor within their boundaries with a Federally-prescribed set of services. That is, States are told what health care to give their poor and how to give it to them, how to deliver the services. Second, States have to contribute to the costs of Medicaid from their budgets based on a Federal formula.

The fact that unlimited funds have been made available to this program has also meant that there has been no incentive to remove the inefficiencies that exist, nor to come up with new or better ways to serve the health care needs of the poor. This has resulted, in turn, in ever-increasing expenditures on Medicaid by both the Federal Government and by the States. Between 1988 and 1994, 6 years, State spending on Medicaid has increased by 160 percent. During the same years, Federal spending on Medicaid has increased 170 percent. Or, to look at it another way, in 1987 States spent on the average 10 percent of their own budgets on Medicaid. Last year, they spent almost 20 percent.

In a conversation I had this morning with my Governor, the Governor of the State of Ohio, George Voinovich, he told me that in just a few years, unless changes are made, Ohio will be spending 40 percent of its total budget for the cost of Medicaid.

Federal Medicaid spending has grown from 2.7 percent of total Federal out-

lays to 5.6 percent during this same period of time. So, today, we have a Medicaid Program that is growing too fast and does not provide the best health care for the buck. So we have set out to change this, to cut Federal spending growth—not Federal spending, but to cut the rate of growth, and to cut it in half; and, at the same time, to improve the delivery of health care services to the poor. We proposed a reduction in the current Federal contribution to Medicaid. But, under our plan, we also gave States more flexibility than ever before in determining how health care services should be provided to poor people.

These two changes, fewer dollars from Washington, slower rate of growth, but more flexibility for the States, those two have to go hand-in-hand. You cannot have one without the other, because States cannot deliver health care with fewer dollars if they must do so under the current bureaucracy-laden, expensive system. On the other hand, if we let States be creative, they can spend less and at the same time provide better services.

Allowing States the flexibility to reform and redefine Medicaid means that our proposal is not just a proposal about money. While it is a proposal that sometimes tells the States what services to provide, for the most part it leaves the States to find innovative ways to provide these services. It leaves it up to the States. States are given this flexibility because we believe the States can devise better and more cost-effective ways in which to deliver health care services. If I could, let me give the Members of the Senate an example, an example I think is very instructive.

Let us take a child on Medicaid who has severe asthma, and who is hospitalized on an average of every 2 to 3 weeks every summer, usually for 3 to 4 days at a time. Medicaid pays for this child to be in the hospital at a cost, tremendous cost, per day. But Medicaid does not—let me repeat—does not allow a State to send a case worker over to that child's home and install an air-conditioner in that child's bedroom to prevent these recurring asthma attacks. An air-conditioner could well save the child from what are very scary breathing problems. I will say my wife, Fran, and I have experienced this with our own children. There is nothing scarier than to have a child who cannot get her breath. A simple thing such as an air-conditioner could save that child from that agony and that family from that agony and, at the same time, save taxpayers thousands and thousands of dollars. Yet, under the current law, this sort of preventive measure is not permitted. This sort of preventive measure is not permitted under current Medicaid law.

Giving the States more flexibility will allow them to be innovative, bold,

imaginative, and will provide people with real services that matter—and that in many cases will be cheaper.

Let me give another example, Mr. President. Under today's Medicaid Program Medicaid beneficiaries who suffer traumatic brain injuries are required to be institutionalized in nursing homes, if they want the money, and if they want the help. So if an 18-year-old is involved in a car accident and is left comatose, he or she may be treated in a rehabilitation center until the car insurance is exhausted. But then that 18-year-old would be placed under current law in a nursing home. Imagine if instead this 18-year-old could be treated at home with services specific to his or her needs with community-based services aimed specifically at brain injuries. He may well recover, return to school, get a job, and live a full life. And, Mr. President, it would cost a lot less.

Mr. President, I ask unanimous consent that my time be extended by 10 minutes.

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

Mr. DEWINE. Mr. President, let us consider another example, a 15-month-old baby girl born with short bowel syndrome. The teenage parents can find child care an overwhelming prospect. Under Medicaid today that infant would almost inevitably be sent to an institution. What if nursing services could instead be provided for that baby at home along with training and support for the young parents? That little girl could grow up with parents in a more stable home environment, and live the sort of life that children are meant to live. And again, Mr. President, it would cost less.

Here is another example. If today an 85-year-old woman has osteoporosis, cancer, psoriasis, she would likely end up in a nursing home. But what if the States could instead establish full health programs that include monthly nursing visits and weekly physical therapy? She could be mobile, hopefully keep her condition from deteriorating, and stay at home.

Another example: As we all know, under the current Medicaid system many, many poor children get ordinary care in emergency rooms. That is where they go for that type of care. But that really is not the place for building long-term doctor-patient relationships. Let us give States the flexibility, and they will develop their own managed care plans for the poor. So these children could go to their own primary care physicians where the doctors will know them, their names, and their medical history. That will certainly ensure better health care. But some may say, but cannot States really do all of these things now? Well, in any one of these scenarios a State could go hat in hand to Washington and maybe, just maybe, get permission,

to help their citizens in these alternative innovative, and, yes, responsive ways. But States do not have the ability to address these local situations in their own communities without permission from Washington. That is the law today. They have to go to Washington hat in hand. They have to beg for permission to do it. Why should we have a system in which we must waive the rules in order to simply do what is right?

We instead free States so that they could respond compassionately to their poor, and in the long run provide them with better care while cutting the inefficient and duplicative cost of Medicaid.

So, Mr. President, I believe it is a mistake to look only at the money side of the Medicaid question. The President proposes to cut the rate of growth of Federal contributions but make no structural changes—let me repeat, make no structural changes—and require States to make up the monetary difference. It does not increase State flexibility, and it ties the hands of Governors and State legislators so that States are left paying more toward Medicaid but given an insufficient voice in determining how those funds are spent.

Mr. President, it will take more than this to achieve what I am sure both President Clinton and I ultimately want, and what we all want for the poor of this Nation: Better affordable health care for the poor. Unfortunately, the President's proposal has shifted the debate away from substantive Medicaid reforms to simply a numbers debate.

It must be reiterated again and again that we are not just debating how large or small the Federal contribution to Medicaid should be. To characterize the debate in this way emphasizes a fundamental misunderstanding of Medicaid, and a fundamental misunderstanding of what this debate is all about. We cannot sit down to the negotiating table to simply split the differences on the Federal contribution level and call it a day. We cannot just sit down and say Republicans are at this figure, Democrats are at this figure, let us split the difference and all go away happily. That is not going to solve the problem. And in fact, Mr. President, as I think I have outlined to demonstrate this afternoon, that may be the worst of all possible worlds. If we end up splitting the difference between the two sides but yet make no change in policy and keep the policy the way it is today, it simply will not work. The States cannot make it work. We will be dealing the States a hand that they simply cannot play. And the people who are going to suffer are not just going to be the Governors, the State legislatures, and the taxpayers of each State. The people who are going to suffer are the poor who depend on

Medicaid for their health care. That is who is going to suffer.

Mr. President, to approach it in this simplistic way, to make this just a numbers debate, would be, I believe, to take the easy way out and leave unaddressed the problems currently facing Medicaid today—the inefficiencies, the exorbitant costs. Given the flexibility, States could begin to address. In fact, to split the difference and call it a day would leave the States with a devastating bill to meet these legal obligations. As I stated earlier, my State of Ohio would have to spend 40 percent of its total budget on Medicaid—40 percent. Ohio already devotes 30 percent of its budget to Medicaid today, and this increase would come in just the first 10 years. That is huge, and this percentage will continue to grow.

Mr. President, in conclusion, let me say that States will be forced to pull money away from other programs if this path is followed. Which State programs would we have our Governors cut? Education? Public health and safety? I think not. This runaway proposal would squeeze out all else, and it simply cannot be tolerated.

Mr. President, the only solution would be bankruptcy for the States or increase State taxes to raise money to pay for the ever-increasing legal obligations of the States under Medicaid. This would certainly be one back-door way of increasing taxes that I do not think anyone in this Chamber would approve of. We cannot reduce the Federal contribution to Medicaid while at the same time keep the costly, inefficient, and counterproductive requirements of Medicaid and then simply walk away.

We cannot walk away from the 18-year-old accident victim, nor walk away from the 15-month-old infant of the overwhelmed teenage parents. We cannot walk away from an 85-year-old woman with osteoporosis and cancer. Mr. President, we do not believe in simply abandoning people. Any Medicaid Program that comes out of these negotiations that we negotiate or vote for should not do that either.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

(Mr. STEVENS assumed the Chair.)

CHANGING THE SYSTEM

Mr. BOND. Mr. President, I wish to say that I think we have had some very useful discussions today, although obviously the substantive discussions and

negotiations are, we hope, going on elsewhere. But I wish to begin by reemphasizing what my distinguished colleague from Ohio has just said in the past few minutes about the importance of changing the system.

I had the privilege of serving as chief executive of the State of Missouri for 8 years, and I was convinced, as were almost all of my other colleagues who were Governors at the time, Republicans and Democrats, that we could do a far better job in handling many of the programs partially funded by the Federal Government if we did not have all of the strings and restrictions and red tape put upon us. That is why we have moved in this session of Congress to change the programs themselves, to make them more effective and efficient, not just to save money. Obviously, we cannot continue to spend, particularly on entitlement programs like Medicare and Medicaid, at the ever-increasing rates of growth, without destroying these very programs, bankrupting the Government, and destroying our economy. But it is not enough, as has been pointed out by my colleague from Ohio, merely to cut the amount of money that we are turning over to the States. If we tell them, "You have to keep spending the money the way we tell you but we are not going to give you as much as you have been getting, or not as much as an increase as you have been getting," then we risk disaster. We need fundamental changes—allowing the States to develop responsive and responsible, effective and caring programs to meet the needs of those who are recipients of the programs, within these budgetary constraints.

Mr. President, in my second term as Governor, we fought and fought and fought to get waivers from the Department of Health and Human Services, now HCFA, so we could start a managed-care program for Medicaid, so we could give the providers selected by the Medicaid recipient the opportunity to do the best job they could of keeping that recipient healthy.

It made a tremendous amount of difference. More emphasis was placed on keeping people healthy, on preventive health care, on regular checkups, on routine well-baby care that kept the recipients well, kept them out of the hospital, kept them from lost time. The result was that we saved some money but people on Medicaid in my State were a lot happier, and healthier, with the program. And those examples, those experiments are being carried out in every State in the Nation. If we only could change the program so that State legislators and Governors who are just as concerned as the Members of this body about taking care of those in need could make those innovations, I am convinced we can do it.

Now, we have had, as I have said, much discussion about differences in

policy, differences in policy that lie at the base of this balanced budget debate, but part of the problem is, I think, some of the facts are being misstated. We have heard earlier today about how Federal employees are being held hostage; that it is an unheard of shutdown of the Federal Government.

It seems to me, Mr. President, in the time I have been here when there was a Democratically controlled Congress and a Republican President, there were shutdowns in the Federal Government when Congress and the President did not agree. To say that it is unheard of is not true. I believe even during the period of the Carter administration, when there was a Democratic President and a Democratic Congress, there were a number of periods of time when there was no budget or continuing resolution in place. As a matter of fact, some of my colleagues, on a bipartisan basis, today were talking about how the Democratic majority in Congress in 1990 toughened up the Anti-Deficiency Act to make it more painful, more painful for the executive branch to try to continue to operate in the absence of a continuing resolution, and, yes, it appears that some of those chickens have come home to roost now.

But let us make clear one thing. Part of this responsibility, the responsibility that some of the agencies of Government are shut down, is on the back of the President. I can speak from personal experience, having managed the bill that funds veterans, housing, environment, space, emergency management, and other areas—the VA-HUD and independent agencies appropriations bill. We passed the bill. We passed the bill that made over 12 percent cuts from last year's original appropriations.

Now, during the summer of last year, in a rescission bill, the Congress, with the President's signature, rescinded some of those funds from the previous year because that bill, VA-HUD, was making too many promises that could not be kept in out-years. When you make a promise in housing, for example, to provide housing over a number of years, you have to appropriate the budget authority up front, but then each year as you carry out that commitment, the expenditure of that authority—the outlays—are scored against the aggregate budgetary limitations for that year.

So we have had to cut back significantly, and the President agreed when he signed the rescission bill that we would cut back on the commitments in VA-HUD. So it was with surprise that when we tried to negotiate with the White House to find out how we could change the fiscal year 1996 appropriations bill to accommodate their needs and their desires, the only thing we got from Mr. Panetta, who was up here on the Hill, was a statement that, well, we just need to spend \$2 billion more, just give us \$2 billion more.

I explained to him, as every Member of this body who is familiar with the appropriations process knows, we cannot give \$2 billion more. We have to stay within the budget. But I suggested that if they were willing to work with us, we could make adjustments within the dollars available and send the President the bill, he could sign that bill, and then to the extent he is able to reach a later agreement which might put more money into the various appropriated accounts, we could come back by a supplemental appropriation or a continuing resolution to add money to the Veterans' Administration, Housing and Urban Development, Environmental Protection Agency, National Aeronautics and Space Administration, the National Science Foundation, and all of those agencies.

What happened? Well, frankly, the President vetoed the bill. The President vetoed the bill because we did not spend as much money as he wanted. That is understandable. Everybody who likes government likes to spend more money. But if you don't want to cut spending in domestic appropriated accounts, you have to find someplace else to take it. You could, for example, cut back on the money going into entitlement programs like Medicare and Medicaid. Actually, we have a very good example of that. The President and Mrs. Clinton back in 1993 and 1994, as my colleagues will recall, came before the Congress—you probably have seen film clips of them recently—and said we really must slow the rate of growth of Medicare to 6 to 7 percent a year.

Mr. President, they were correct because as the Clinton trustees of Medicare and Social Security have said, if we do not reform part A of Medicare, it is going to go broke, it is going to run out of money in the year 2002.

The President was right when he said we have to slow the rate of growth. But not only do we have to slow the rate of growth, just as my friend from Ohio said, we have to change the structure of Medicare; we have to change the structure of Medicare because a top-down Government price-fixing program in health care has not worked.

It is important that we give senior citizens choices, choices so they can choose from among private plans which will have to manage the costs effectively and give the recipients, the Medicare recipients, the kinds of services they need if they are to compete.

The President and Mrs. Clinton were very clear when they came before the Congress and said it is not a cut when you say we are going to slow the rate of growth to a reasonable amount of 6 to 7 percent. How interesting it is to hear now representatives of the President, the ads run by their supporters, saying Medicare is going to be slashed because the Republican Congress proposes to let it grow by 7.2 or even 7.4 percent.

Mr. President, we have to save Medicare. If you are talking about just cutting a little bit of money out of Medicare, you are not going to really save it; you are just going to squeeze it down and make it more difficult for Medicare recipients to get doctors and hospitals and other health care providers to give them the kind of services they need. You need to change the program and you need to slow the rate of growth in the program. You tell me how much you want to slow the rate of growth of the Medicare Program, and we can probably tell you how long past 2002 you will keep the program healthy, how long before it will go bankrupt.

Mr. President, I ask unanimous consent that I may be granted another 5 minutes.

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

Mr. BOND. I thank the Chair.

Mr. President, as I was saying, how long do you want to keep Medicare healthy? Personally, I would like to see Medicare kept healthy, not only for those who are on Medicare right now, but those who will be coming on, people my age and people younger.

We are going to have to make changes to slow the rate of growth. One proposal to save \$70 to \$80 billion was estimated only to save it for maybe 2 more years. I do not think, Mr. President, we ought to go through all this battle and all this heartache and say that Medicare will not go bankrupt in 2002, it will go bankrupt in 2005. We can do better than that. We have to implement real reforms which will assure the financial solvency of this critical program well into the foreseeable future.

I hope we would stop the posturing and stop the ads and stop the claims that Medicare is being savaged. It begins to appear to me, Mr. President, that there is something else at work here. The President of the United States told the American people in the campaign and told us in the State of the Union Message in 1993 he wanted a balanced budget. Then just a month and a half or so ago, before Congress sent him a continuing resolution, he agreed that he would sit down and develop with the Congress a balanced budget reaching balance in the year 2002 on the basis of Congressional Budget Office scoring.

If he is willing to do that, and if he is willing to take a hard look and a responsible look at how we keep entitlement programs from going bankrupt, and how we keep it from destroying us, then there is plenty of room to negotiate as far as I am concerned. If I were a negotiator, I would say, we put it all on the table. I would not put more taxes on the table because we tried the taxes and that did not work. Jacking up taxes in 1993 got only about a third of what we expected out of it.

It is time that we cut. If the President would come forward and deal in good faith, we could reach that agreement in a very short time. But what I am hearing from the press, some of my colleagues who have friends in the White House, the political advisers are saying, "Great, don't move. Don't move, Mr. President. You've got it just where you want it. You have talked about a balanced budget, but then you can come out and be against all the cuts. You don't have to agree to any of the cuts, just say you're for a balanced budget and then trash anybody who tries to put the details of a balanced budget together. And so long as you don't have to present one, then you're not going to be caught."

As one of my friends, a Member of this body on the other side of the aisle, has said—and obviously I will not identify him—he said it makes for great campaign rhetoric. It is great political fanfare, but it is a darn poor way to govern.

Mr. President, I suggest that if the President wants to have a balanced budget, if he wants to carry through on his promise, then it is time, as we say in Missouri, to show me, come forward and say where you are going to make these necessary cuts. The White House is not doing that.

I mentioned earlier that with respect to the small little appropriations bill I handled, veterans, HUD, independent agencies, they originally requested \$2 billion, about \$1.9 billion-plus. We have just received their latest request. Guess what? That latest request goes up to \$2.5 billion. This is not negotiation. This is moving in the opposite direction.

Mr. President, if anybody is negotiating with somebody who keeps taking steps farther and farther away from agreement, you will find out that is not negotiation, that is political game playing. Unfortunately, until we see any movement in the other direction, I have to say that this President apparently does not want a balanced budget.

Dismiss all the rhetoric. His requests are for more spending in domestic areas. His requests are for less cuts in entitlement programs. Frankly, every time that the Congressional Budget Office has scored his proposal—and the Congressional Budget Office is the one who he said must judge those proposals—it shows that he misses in the neighborhood of two to three hundred billions of dollars.

Mr. President, there is some talk about adding a few billion dollars more to domestic discretionary. Unfortunately, under the congressional budget resolution that will achieve a balanced budget by the year 2002, have to cut nondefense discretionary from \$270 billion in 1996 to \$258 billion in 1997. That is a 4.4-percent decrease—a \$12 billion expenditure reduction. If you are going to be putting more money in this year,

you are going to make it a bigger cliff to fall off of next year.

I would caution our negotiators not to go down that path of building in more spending now when we are going to have to have greater cuts next year and more program disruption.

We could come to an agreement. I think there are lots of areas where we could agree. I will tell you that I am beginning to think that the only place that we can make an agreement is working with our colleagues in Congress. I have had the pleasure of working with the Senator from Maryland, Senator MIKULSKI. We have some policy differences, but those policy differences can be accommodated.

I know that there are groups working together on a bipartisan basis, Senators BREAUX and CHAFEE and others, Senator NUNN and many others, who are working to come up with a balanced budget, because I believe there are people in this body on both sides of the aisle who believe it is in the best interest of this country to get the Government back to work, to get the employees of the Federal Government doing what they are supposed to do, and put forward a responsible bipartisan plan to move this country toward a balanced budget in the year 2002.

The Kerrey-Danforth commission, headed by Senator KERREY from Nebraska and my former colleague, Senator Danforth from Missouri, pointed out how difficult the entitlement problems are. Unless we start dealing with those entitlement problems, we are not going to reach that result.

So, Mr. President, it has been with only a slight degree of hope and a great deal of concern that I have watched the proceedings today. We have to find some areas of compromise. Unless we see the President willing to come forward and tell us where cuts are going to be made—real cuts; not phony cuts, real cuts—then we are going to have to work within this body, and I hope we can find bipartisan cooperation in the House, to come to agreements on how to get spending under control, how to provide the vital services that are necessary, that must be provided, but to do so in a responsible way that does not cost our children and our grandchildren another \$1 or \$2 trillion worth of debt.

Mr. President, this is a vitally important issue. The issue of the budget is going to define not only what our children face in the future, but our economy in the short term. I look forward to working with Members of this body and ultimately Members of the other House in seeing if we cannot fashion what the President has been unwilling to come forth and produce, and that is a balanced budget.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

REMOVAL OF INJUNCTION OF SECRECY—TAX PROTOCOL WITH THE KINGDOM OF THE NETHERLANDS (TREATY DOC. NO. 104-23)

Mr. COCHRAN. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Protocol for the Kingdom of the Netherlands (Treaty Document No. 104-23), transmitted to the Senate by the President on January 3, 1996; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification, the Protocol between the Government of the United States of America and the Government of the Kingdom of the Netherlands in Respect of the Netherlands Antilles Amending Article VIII of the 1948 Convention with Respect to Taxes on Income and Certain Other Taxes as Applicable to the Netherlands Antilles, signed at Washington on October 10, 1995. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Protocol.

The Protocol amends Article VIII (1) of the Convention to limit the exemption from U.S. taxation of interest on debt instruments to interest paid on instruments issued on or before October 15, 1984, by a U.S. person to a related controlled foreign corporation that was in existence before October 15, 1984.

I recommend that the Senate give early and favorable consideration to the Protocol, and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 3, 1996.

COMMENDING J. KEITH KENNEDY

Mr. COCHRAN. Mr. President, I send a resolution to the desk commending J. Keith Kennedy for his service as Republican staff director of the Appropriations Committee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 208) commending J. Keith Kennedy.

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

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

Mr. DOLE. Mr. President, this resolution commends J. Keith Kennedy, who has served as the Republican staff director for the Appropriations Committee for 15 years, having assumed that position 15 years ago today.

Keith is a very valuable member of the Senate staff, upon whom we have all relied at one time or another.

I know my colleagues join Senator HATFIELD and BYRD in wishing Keith continued success in his position—we will continue to rely on his sound counsel.

Mr. HATFIELD. Mr. President, I rise to congratulate and to convey my appreciation to a member of my staff, J. Keith Kennedy. Today marks the 15-year anniversary of Keith's service as the Republican staff director of the Senate Appropriations Committee, serving either in the majority or in the minority as fortune permitted. Mr. Kennedy has steered the staff with a firm, but gentle hand at the helm, through the often choppy waters of legislative process. Such continuity has provided the Senate with the type of institutional memory that keeps us from remaking some of the mistakes of the past. In this capacity, Mr. Kennedy has worked to uphold the position of the Senate in negotiations with three administrations—those of Presidents Ronald Reagan, George Bush, and Bill Clinton, five OMB directors—David Stockman, James Miller, Richard Darman, Leon Panetta, and Alice Rivlin, and a House of Representatives under both Democratic and Republican majorities. During that time, he helped implement the Reagan revolution of the early 1980's when many of us were still trying to get our sea legs in a Senate with a new Republican majority. In the 1990's, he has played a key role in charting a course out of fiscal excesses of earlier years.

Keith has served the Senate with distinction and honor for over 23 years. I have come to rely on him as a trusted adviser, policy expert, and friend.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 208) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 208

Whereas J. Keith Kennedy has served as majority or minority Chief Clerk and Staff Director of the Committee on Appropriations since January 3, 1981;

Whereas he has ably served the Senate in various other roles since September of 1972;

Whereas he has served as clerk of the Legislative Branch Appropriations Subcommit-

tee, in which capacity he has endeavored to provide for the welfare and benefit of the entire U.S. Senate and its employees;

Whereas he has overseen the modernization and streamlining of the day-to-day operations of the Senate Appropriations Committee;

Whereas he has ably represented the interests of the Appropriations Committee and the Senate in all budget negotiations since 1981;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection and esteem of the United States Senate: Now, therefore, be it

Resolved, That on this fifteenth anniversary of his tenure, the Senate express its commendation, appreciation and gratitude to J. Keith Kennedy for his continuing service and for jobs well done.

CONGRATULATING BRETT FAVRE FOR WINNING THE 1995 NATIONAL FOOTBALL LEAGUE MOST VALUABLE PLAYER AWARD

Mr. COCHRAN. Mr. President, I now ask unanimous consent that the Senate turn to consideration of Senate Resolution 207, a resolution submitted earlier today by myself and Senator LOTT.

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

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 207) to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award.

Whereas Brett Favre, a native of Kiln, Mississippi, is a professional football player with the Green Bay Packers;

Whereas Brett Favre has demonstrated extraordinary skills as an athlete and has proven himself a leader and top performer in the National Football League;

Whereas Brett Favre has been named the Most Valuable Player of the National Football League for 1995: Therefore, be it

Resolved, That the Senate of the United States congratulates Brett Favre for the outstanding season he has had as quarterback of the Green Bay Packers and for being named the Most Valuable Player of the National Football League for 1995.

Mr. COCHRAN. Mr. President, it is with much pride that I submit a resolution congratulating Brett Favre for his outstanding accomplishment in being named the Most Valuable Player of the National Football League for 1995. Brett is a native of my State of Mississippi.

He grew up in the Kiln community near the Mississippi Gulf Coast and starred as a student and athlete at Hancock Central High School. He first received national attention as quarterback for the University of Southern Mississippi, where he led his team to victories over such nationally ranked powers as Florida State University, University of Alabama, and Auburn University.

This year, Brett Favre set a National Football Conference record of 38 touchdown passes and 4,413 total yards passing during the regular season. This is the third highest number of touchdown passes in a season in NFL history. He threw three more touchdown passes in Sunday's 37 to 20 first round playoff victory over the Atlanta Falcons.

Ironically, Brett was chosen for MVP over another outstanding Mississippian and NFL star, Jerry Rice. Jerry Rice is generally considered the best wide receiver and pass catcher in modern history. His accomplishments were noted when he was named MVP of the Super Bowl in 1987.

Brett Favre's rise to the top of his profession in four seasons is a testament not only to his ability, but to his courage and determination to excel. Brett Favre has proven himself a leader and top performer in every capacity and his achievements during the 1995 season were awesome.

I urge the Senate to join me in giving special recognition to this exceptionally talented young man and congratulating him upon receiving one of the highest honors awarded in his profession.

I ask unanimous consent that the article about him and his award that appeared in the Clarion Ledger, January 2, 1996, be printed in the RECORD.

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

[From the Clarion-Ledger, Jan. 2, 1996]

FAVRE REACHES TOP—EARNING NFL MVP HONORS CAPS A LONG CLIMB FOR THE KID FROM KILN

(By Mike Knobler)

Billy Ray Dedeaux remembers a time he told his fourth-grade class to play touch football. One boy made a tackle, and Dedeaux paddled him for it.

Dedeaux had no way of knowing the boy was simply preparing himself to become the world's best football player. And that's exactly what Brett Favre has become.

Favre was named the National Football League's MVP Monday in a landslide vote over fellow Mississippian Jerry Rice. Favre, the Green Bay Packers quarterback, got 69 of a possible 88 first-place votes from a panel of sports writers and broadcasters. Rice, the San Francisco 49ers receiver, got 10.

"It means everything," said Favre, who just completed his fifth—and by far his most successful—regular season in the NFL. "It's like winning the Super Bowl, except it's an individual honor. It's the National Football League, which means it's the best player in the whole world. In this game. And that's awesome."

"Think about all the great players you play with and play against. It's overwhelming. It's hard to even explain how much that means to win that and say, 'God, MVP of the league.'"

Back home on the Gulf Coast, Favre's family and former teachers were pleased with the honor but not surprised. They'd been hearing and reading for weeks that he was a leading candidate for the award.

"At first, when they started talking about it, you didn't think too much of it," said Bonita Favre, Brett's mother. "But as the year went on, it didn't seem out of reach."

The MVP award carries with it the promise of more endorsement contracts and more money for Favre, 26. That means more work for his family in Kiln.

Bonita pays all the bills and takes care of all the accounts for Brett's three businesses: Favre Enterprises, Favre Agricultural Enterprises and Favre Property Management. There are lawyers and accountants to help, but Bonita handles the day-to-day finances.

Irvin, Brett's dad, runs the agricultural business, a 45-acre Black Angus farm behind the Favres' house. Scott, Brett's brother, runs the real estate business, which owns residential and commercial property in Mississippi and Tennessee.

Brett handles the football.

"Being the MVP won't change Brett," Irvin said. "It'll change his lifestyle a bit. This'll complicate matters more. In the offseason, if you add all the days up (for his current endorsements and charity appearances), it'd be a little over a month. How much that'll increase and how much he wants that to increase, I don't know. He won't really have any off time. He'll be a busy man, and Brett doesn't really like that."

Brett set an NFC record with 38 touchdown passes and threw for 4,413 yards. He guided the Packers to an 11-5 record and their first NFC Central title in 23 years.

The Packers beat the Atlanta Falcons in the opening round of the playoffs and face the 49ers Saturday at San Francisco. Gladys Haas will be watching that game on TV.

"I love to watch him throw that ball," said Haas, Favre's kindergarten teacher. "His father said to me one time after things were going real nice for him, 'Gladys, you started all of this.' He was a dear youngster just like all kindergartners are. Even at that age, I'd say he was an up-and-going youngster."

Favre was already a football prodigy by the time he got to Dedeaux's class at Hancock North Central Elementary School. Favre won a Punt, Pass and Kick contest in Biloxi. Dedeaux watched Favre advance from PeeWee to high school to Southern Mississippi to the pros.

"Any teacher dreams of a star student," Dedeaux said. "Brett and many others have made that dream come true. He's a go-getter. He's always been very competitive, even in elementary school."

Former high school math teacher Richard Streiff remembers Favre as the A student who sat in the center of the front row in class. He also remembers Favre as an unlikely candidate to become an MVP quarterback in the NFL.

"I never dreamed he'd be a quarterback," Streiff said. "I thought he'd wind up as a defensive back at one of the major universities."

"He's an excellent young man. I can't say enough nice things about him as student and as a person."

Favre has a new teacher these days: Packers coach Mike Holmgren. Favre admitted he owes much of his success to Holmgren. Holmgren admitted he owes much of his success to Favre.

"He does everything you can ask from a quarterback, and he's still young and learning," Holmgren said.

Last year, Favre nominated Dedeaux for the NFL's teacher of the month award. Dedeaux won and received \$2,500, plus \$5,000 for the school Favre returns each spring and signs autographs for sixth graders.

That gives Dedeaux the chance to tell his story about the kid who disobeyed his teacher and went on to greatness.

"Sometimes that's what happens when you become hardheaded and don't listen,"

Dedeaux said. "He was just making himself tough."

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 207) was agreed to.

The preamble was agreed to.

REPORT ON THE CONTINUATION OF LIBYAN EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 107

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Libyan emergency is to continue in effect beyond January 7, 1996, to the *Federal Register* for publication.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986, has not been resolved. The Government of Libya has continued its actions and policies in support of terrorism, despite the calls by the United Nations Security Council, in Resolutions 731 (1992), 748 (1992), and 883 (1993) that it demonstrate by concrete actions its renunciation of such terrorism. Such Libyan actions and policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, the national emergency declared on January 7, 1986, and the measures adopted on January 7 and January 8, 1986, to deal with that emergency, must continue in effect beyond January 7, 1996. I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Libya to reduce its ability to support international terrorism.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 3, 1996.

REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF ROMANIA—MESSAGE FROM THE PRESIDENT—PM 108

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with an accompany report; which was referred to the Committee on Finance:

To the Congress of the United States:

On May 19, 1995, I determined and reported to the Congress that Romania is in full compliance with the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation (MFN) status for Romania and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to the Congress concerning emigration laws and policies of Romania. You will find that the report indicates continued Romanian compliance with U.S. and international standards in the area of emigration policy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 3, 1996.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on January 3, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 2808. An act to extend authorities under the Middle East Peace Facilitation Act of 1994 until March 31, 1996, and for other purposes.

MESSAGES FROM THE HOUSE

At 2:16 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the resolution (H. Res. 326) informing the Senate that a quorum of the House is present and that the House is ready to proceed with business.

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-1750. A communication from the Secretary of the Judicial Conference of the United States, transmitting, a notice relative to funding of the Judiciary; to the Committee on Appropriations.

EC-1751. A communication from the Chairperson of the Defense Environmental Response Task Force (DERTF), Office of the Under Secretary of Defense, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Armed Services.

EC-1752. A communication from the Deputy Chief (Programs and Legislation Division), Office of Legislative Liaison, Department of the Air Force, transmitting, pursu-

ant to law, a notification relative to the contracting of work currently performed at Newark Air Force Base (AFB), Ohio; to the Committee on Armed Services.

EC-1753. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC-1754. A communication from the Chairman of the Civil Tiltrotor Development Advisory Committee (CTRDAC), Office of the Assistant Secretary of Transportation, transmitting, pursuant to law, the final report; to the Committee on Commerce, Science, and Transportation.

EC-1755. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on the state energy conservation program for calendar year 1994; to the Committee on Energy and Natural Resources.

EC-1756. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-1757. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-1758. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report on the Trans-Alaska Pipeline Liability Fund; to the Committee on Energy and Natural Resources.

EC-1759. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the Assistance to support Nigeria and other states participation in the peacekeeping mission in Liberia; to the Committee on Foreign Relations.

EC-1760. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC-1761. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Foreign Relations.

EC-1762. A communication from the President of the National Safety Council, transmitting, pursuant to law, the report on internal controls and financial management systems in effect during the fiscal years ending June 30, 1995, and 1994; to the Committee on the Judiciary.

EC-1763. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Office of Minority Health; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1371. A bill entitled the "Snowbasin Land Exchange Act of 1995" (Rept. No. 104-201).

INTRODUCTION OF BILLS AND JOINT RESERVATIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRAIG:

S. 1515. A bill for the relief of Benjamin M. Banfro; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself and Mr. LOTT):

S. Res. 207. A resolution to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award; considered and agreed to.

By Mr. DOLE (for himself, Mr. HATFIELD, and Mr. BYRD):

S. Res. 208. A resolution commending J. Keith Kennedy; considered and agreed to.

SENATE RESOLUTION 207—RELATIVE TO BRETT FAVRE

Mr. COCHRAN (for himself, Mr. LOTT, Mr. FEINFOLD, and Mr. KOHL) submitted the following resolution; which was considered and agreed to:

S. RES. 207

Whereas Brett Favre, a native of Kiln, Mississippi, is a professional football player with the Green Bay Packers;

Whereas Brett Favre has demonstrated extraordinary skills as an athlete and has proven himself a leader and top performer in the National Football League;

Whereas Brett Favre has been named the Most Valuable Player of the National Football League for 1995: Now therefore be it

Resolved, That the Senate of the United States congratulates Brett Favre for the outstanding season he has had as quarterback of the Green Bay Packers and for being named the Most Valuable Player of the National Football League for 1995.

SENATE RESOLUTION 208—COMMENDING J. KEITH KENNEDY

Mr. DOLE (for himself, Mr. HATFIELD, and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 208

Whereas J. Keith Kennedy has served as majority or minority Chief Clerk and Staff Director of the Committee on Appropriations since January 3, 1981;

Whereas he has ably served the Senate in various other roles since September of 1972;

Whereas he has served as Clerk of the Legislative Branch Appropriations Subcommittee, in which capacity he has endeavored to provide for the welfare and benefit of the entire U.S. Senate and its employees;

Whereas he has overseen the modernization and streamlining of the day-to-day operations of the Senate Appropriations Committee;

Whereas he has ably represented the interests of the Appropriations Committee and the Senate in all budget negotiations since 1981;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection and esteem of the United States Senate: Now, therefore, be it

Resolved, That on this fifteenth anniversary of his tenure, the Senate express its commendation, appreciation and gratitude to J. Keith Kennedy for his continuing service and for jobs well done.

AMENDMENTS SUBMITTED

FEDERAL EMPLOYEES LEGISLATION

DOLE (AND WARNER) AMENDMENT NO. 3114

Mr. DOLE (for himself and Mr. WARNER) proposed an amendment to the bill (S. 1508) to assure that all Federal employees work and are paid; as follows:

In lieu of the House amendment, insert:

SEC. 2. EXCEPTED EMPLOYEES UNDER NORMAL LEAVE POLICY.

Federal employees considered excepted from furlough during any period in which there is a lapse in appropriations with respect to the agency activity in which the employee is engaged shall not be considered to be furloughed when on leave and shall be subject to the same leave regulations as if no lapse in appropriations had occurred.

SEC. 3. ELIGIBILITY FOR UNEMPLOYMENT COM- PENSATION.

Beginning on January 2, 1996, any federal employee who is excepted from furlough and is not being paid due to a lapse in appropriations shall be eligible for unemployment compensation benefits with no waiting period for such eligibility to accrue. With respect to any person who is eligible for such benefits by reason of the preceding sentence, any such benefits received shall be subject to repayment in the same manner and to the same extent when eligibility by reason of the preceding sentence ceases as if such cessation were an end to the period of unemployment.

TITLE II

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for the fiscal year 1996, and for other purposes, namely:

SEC. 201. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 for continuing the following projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1995:

All nutrition services for the elderly under the account heading "Aging services programs" under the Administration on Aging in the Department of Health and Human Services;

All grants to states for child welfare services, authorized by title IV, part B, subpart 1, of the Social Security Act, under the account heading "Children and families services programs" under the Administration for Children and Families in the Department of Health and Human Services;

All Federal Parent Locator Service activities, as authorized by section 453 of the Social Security Act, under the account heading "Children and families services programs" under the Administration for Children and Families in the Department of Health and Human Services;

All State unemployment insurance administration activities under the account heading "State unemployment insurance and employment service operations" under the Employment and Training Administration in the Department of Labor;

All general welfare assistance payments and foster care payments, as authorized by law, funded under the account heading "Operation of Indian programs" under the Bureau of Indian Affairs in the Department of the Interior;

All projects and activities necessary to accommodate visitors and to provide for visitor services in the National Park System, the National Wildlife Refuges, the National Forests, the facilities operated by the Smithsonian Institution, the National Gallery of Art, and the John F. Kennedy Center for the Performing Arts; and

All projects and activities necessary to process passports, notwithstanding section 15 of the State Department Basic Authorities Act of 1956:

Provided, That whenever the amount which would be made available or the authority which would be granted under an Act which included funding for fiscal year 1996 for the projects and activities listed in this section is greater than that which would be available or granted under current operations, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate.

(b) Whenever the amount which would be made available or the authority which would be granted under the Act which included funding for fiscal year 1996 for the projects and activities listed in this section as passed by the House as of the date of enactment of this joint resolution, is different from that which would be available or granted under such Act as passed by the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate or the rate permitted by the action of the House or the Senate, whichever is lower, under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

(c) Whenever an Act which included funding for fiscal year 1996 for the projects and activities listed in this section has been passed by only the House or only the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be considered under that appropriation, fund, or authority granted by the one House at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

SEC. 202. Appropriations made by section 201 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 203. No appropriation or funds made available or authority granted pursuant to section 201 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1995.

SEC. 204. No provision which is included in the appropriations Act enumerated in section 201 but which was not included in the applicable appropriations Act for fiscal year 1995 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this joint resolution.

SEC. 205. Appropriations made and authority granted pursuant to this title of this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 206. Unless otherwise provided for in this title of this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this title of this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this title of this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) September 30, 1996, whichever first occurs.

SEC. 207. Expenditures made pursuant to this title of this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 208. No provision in the appropriations Act for the fiscal year 1996 referred to in section 201 of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 206(c) of this joint resolution.

SEC. 209. Appropriations and funds made available by or authority granted pursuant to this title of this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

TITLE III—DISTRICT OF COLUMBIA

That the following sums are hereby appropriated, out of the general fund and enterprise funds of the District of Columbia for the District of Columbia for the fiscal year 1996, and for other purposes, namely:

SEC. 301. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 for continuing projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this title of this joint resolution) which were conducted in the fiscal year 1995 and for which appropriations, funds, or other authority would be available in the following appropriations Act:

The District of Columbia Appropriations Act, 1996:

Provided, That whenever the amount which would be made available or the authority which would be granted in this Act is greater than that which would be available or granted under current operations, the pertinent

project or activity shall be continued at a rate for operations not exceeding the current rate.

(b) Whenever the amount which would be made available or the authority which would be granted under the Act listed in this section as passed by the House as of the date of enactment of this joint resolution, is different from that which would be available or granted under such Act as passed by the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate or the rate permitted by the action of the House or the Senate, whichever is lower, under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995: *Provided*, That where an item is included in either version or where an item is included in only one version of the Act as passed by both Houses as of the date of enactment of this joint resolution, the pertinent project or activity shall not be continued except as provided for in section 311 or 312 under the appropriation, fund, or authority granted by the applicable appropriations Act for the fiscal year 1995 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

SEC. 302. Appropriations made by section 301 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 303. No appropriation or funds made available or authority granted pursuant to section 301 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1995.

SEC. 304. No provision which is included in the appropriations Act enumerated in section 301 but which was not included in the applicable appropriations Act for fiscal year 1995 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this title of this joint resolution.

SEC. 305. Appropriations made and authority granted pursuant to this title of this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this title of this joint resolution.

SEC. 306. Unless otherwise provided for in this title of this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this title of this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this title of this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) September 30, 1996, whichever first occurs.

SEC. 307. Notwithstanding any other provision of this title of this joint resolution, except section 206, none of the funds appropriated under this title of this joint resolution shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 308. Expenditures made pursuant to this title of this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in

which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 309. No provision in the appropriations Act for the fiscal year 1996 referred to in section 301 of this title of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 306(c) of this joint resolution.

SEC. 310. Appropriations and funds made available by or authority granted pursuant to this title of this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 311. Notwithstanding any other provision of this title of this joint resolution, except section 301, whenever the Act listed in section 301 as passed by both the House and Senate as of the date of enactment of this joint resolution, does not include funding for an ongoing project or activity for which there is a budget request, or whenever the rate of operations for an ongoing project or activity provided by section 301 for which there is a budget request would result in the project or activity being significantly reduced, the pertinent project or activity may be continued under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 by increasing the rate for operations provided by section 301 to a rate for operations not to exceed one that provides the minimal level that would enable existing activities to continue. No new contracts or grants shall be awarded in excess of an account that bears the same ratio to the rate for operations provided by this section as the number of days covered by this resolution bears to 366. For the purposes of this title of this joint resolution the minimal level means a rate for operations that is reduced from the current rate by 25 percent.

SEC. 312. Notwithstanding any other provision of this title of this joint resolution, except section 206, when ever the rate for operations for any continuing project or activity provided by section 301 or section 311 for which there is a budget request would result in a furlough of Government employees, that rate for operations may be increased to the minimum level that would enable the furlough to be avoided. No new contracts or grants shall be awarded in excess of an amount that bears the same ratio to the rate for operations provided by this section as the number of days covered by this resolution bears to 366.

SEC. 313. Notwithstanding any other provision of this title of this joint resolution, except sections 306, 311, and 312, for those programs that had high initial rates of operation or complete distribution of funding at the beginning of the fiscal year in fiscal year 1995 because of distributions of funding to States, foreign countries, grantees, or others, similar distributions of funds for fiscal year 1996 shall not be made and no grants shall be awarded for such programs funded by this title of this resolution that would impinge on final funding prerogatives.

SEC. 314. This title of this joint resolution shall be implemented so that only the most limited funding action of that permitted in this title of this resolution shall be taken in order to provide for continuation of projects and activities.

SEC. 315. The provisions of section 132 of the District of Columbia Appropriations Act, 1988, Public Law 100-202, shall not apply for this title of this joint resolution.

SEC. 316. Notwithstanding any other provision of this title of this joint resolution, except section 306, none of the funds appropriated under this title of this joint resolution shall be used to implement or enforce any system or registration of unmarried, cohabiting couples whether they are homosexual, lesbian, heterosexual, including but limited to registration for the purposes of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this title of this joint resolution otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.

TITLE IV—VETERANS AFFAIRS

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations and other organizational units of Government for the fiscal year 1996, and for other purposes, namely:

SEC. 401. ENSURED PAYMENT DURING FISCAL YEAR 1996 OF VETERANS BENEFITS IN EVENT OF LACK OF APPROPRIATIONS.

(a) PAYMENTS REQUIRED.—In any case during fiscal year 1996 in which appropriations are not otherwise available for programs, projects, and activities of the Department of Veterans Affairs, the Secretary of Veterans Affairs shall nevertheless ensure that—

(1) payments of existing veterans benefits are made in accordance with regular procedures and schedules and in accordance with eligibility requirements for such benefits; and

(2) payments to contractors of the Veterans Health Administration of the Department of Veterans Affairs are made when due in the case of services provided that directly relate to patient health and safety.

(b) FUNDING.—There is hereby appropriated such sums as may be necessary for the payments pursuant to subsection (a), including such amounts as may be necessary for the costs of administration of such payments.

(c) CHARGING OF ACCOUNTS WHEN APPROPRIATIONS MADE.—In any case in which the Secretary uses the authority of subsection (a) to make payments, applicable accounts shall be charged for amounts so paid, and for the costs of administration of such payments, when regular appropriations become available for those purposes.

(d) EXISTING BENEFITS SPECIFIED.—For purposes of this section, existing veterans benefits are benefits under laws administered by the Secretary of Veterans Affairs that have been adjudicated and authorized for payment as of—

(1) December 15, 1995; or

(2) if appropriations for such benefits are available (other than pursuant to subsection (b)) after December 15, 1995, the last day on which appropriations for payment of such benefits are available (other than pursuant to subsection (b)).

SEC. 402. Section 401 shall cease to be effective on September 30, 1996.

TITLE V—CLARIFICATION OF CERTAIN REIMBURSEMENTS

SEC. 501. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

“(a) If a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

“(1) such furloughed employees shall be compensated at their standard rate of compensation for such period;

“(2) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

“(3) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

“(b) For purposes of this subsection, the term ‘State’ shall have the meaning as such term is defined under the applicable Federal program under subsection (a).”

“(c) The authority under this section applies with respect to any period in fiscal year 1996 (not limited to periods beginning or ending after the date of the enactment of this Act) during which there occurs a lapse in appropriations with respect to any department or agency of the Federal Government which, but for such lapse in appropriations, would have paid, or made reimbursement relating to, any of the expenses referred to in subsection (a) with respect to the program involved. Payments and reimbursements under this authority shall be made only to the extent and in amounts provided in advance in appropriations Acts.”

ORDERS FOR THURSDAY,
JANUARY 4, 1996

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 a.m. on Thursday, January 4, 1996; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning

business until the hour of 12 noon, with Senators permitted to speak for up to 10 minutes each.

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

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, negotiations will continue tomorrow on the Balanced Budget Act by the year 2002. However, rollcall votes are not expected during Thursday's session of the Senate.

RECESS UNTIL 11 A.M. TOMORROW

Mr. COCHRAN. If there is no further business to come before the Senate, I ask unanimous consent the Senate stand in recess under the previous order.

There being no objection, the Senate, at 3:46 p.m., recessed until Thursday, January 4, 1996, at 11 a.m.