

the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, May 25, 1995, Friday, May 26, 1995, or Saturday, May 27, 1995, pursuant to a motion made by the Majority Leader or his designee, in accordance with this resolution, it stand recessed or adjourned until 10 a.m. on Monday, June 5, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

**CONCURRENT RESOLUTION ON THE BUDGET**

The Senate continued with the consideration of the concurrent resolution.

**AMENDMENT NO. 1184**

(Purpose: To eliminate section 207 of the budget resolution)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, Mr. PELL, and Mr. KENNEDY, proposes an amendment numbered 1184.

The amendment is as follows:

Strike section 207 in its entirety.

Mr. SIMON. Mr. President, a little-noticed provision of the budget resolution will make it more likely that student loan cuts will come out of the pockets of students, rather than banks, bureaucrats, and other middlemen. Section 207 changes the way the loan costs are scored in the budget by requiring administrative costs—such as collection expenses—to be counted on a long-term—accrual—basis, rather than on a cash basis over the 5-year budget window. While this may sound like a reasonable change, it is accomplished in a manner that is inconsistent and biased.

Section 207 is not applied consistently to all loan programs. Instead, it targets student loans in particular. Furthermore, this type of end-run around the Budget Act is not appropriate on a budget resolution.

Section 207 is biased. There are a number of problems with the way that loans are scored in the budget. Section 207 only fixes one of them, skewing the scoring against direct student loans. This makes it more difficult to achieve savings without eliminating the in-school interest exemption or increasing fees and other student costs. A complete reform of the budget scoring rules for loan programs would consider:

Cost-of-funds. The most significant item that overstates the cost of direct lending is the discount rate that is currently used. The interest rates that

students pay vary annually, and the subsidized rates that the Federal Government promises to banks vary each quarter. A Council of Economic Advisors memorandum of April 30, 1993, points out that “a multiple year loan with an interest rate that resets each year should be treated for pricing purposes as having a maturity of one year,” meaning that a short-term rate should be used. But CBO and OMB assume that the Government’s cost-of-funds is a higher, long-term rate, the 10-year bond. This makes direct lending appear much more costly than it really is. Indeed, in a February 8, 1993, letter, GAO pointed out that using shorter term interest rates would have more than doubled the direct loan savings.

Tax-exempt bonds. Many student loan secondary markets use tax-exempt bonds, costing the Federal Treasury an estimated \$2.3 billion over 5 years. This cost is not considered when the Congressional Budget Office determines how much direct lending saves, or how much the guarantee program costs.

Taxpayer bailouts. When guaranty agencies agree to share the risk under FFEL by paying a larger portion on defaulted loans, they are using money that belongs to the Federal Government—so the Federal Government is essentially sharing with itself. Furthermore, when any agency can’t pay its share, the Federal Government steps in. These costs aren’t currently considered.

I would hope that the chairman would reconsider this provision prior to conference.

Mr. EXON. Mr. President, this amendment simply strikes section 207 in order to keep all of our options open to avoid imposing costs on college students and their families.

The amendment has no cost impact. The amendment strikes budget scoring rules in the budget resolution that single out a particular program.

This amendment will allow committees of jurisdiction to look at these issues in a comprehensive manner. First, last, and always, this amendment protects students.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I have a slightly different impression. The Simon amendment would strike language in the resolution that corrects a bias against guaranteed student loans. If adopted, the Simon amendment would favor the Clinton administration policies for direct Government student lending. The budget resolution does not do that.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 216 Leg.]

**YEAS—56**

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Frist      | McCain    |
| Ashcroft  | Gorton     | McConnell |
| Bennett   | Gramm      | Murkowski |
| Bond      | Grams      | Nickles   |
| Brown     | Grassley   | Nunn      |
| Burns     | Gregg      | Packwood  |
| Campbell  | Hatch      | Pressler  |
| Chafee    | Hatfield   | Roth      |
| Coats     | Helms      | Santorum  |
| Cochran   | Hutchison  | Shelby    |
| Cohen     | Inhofe     | Simpson   |
| Coverdell | Jeffords   | Smith     |
| Craig     | Kassebaum  | Snowe     |
| D’Amato   | Kempthorne | Stevens   |
| DeWine    | Kerrey     | Thomas    |
| Dole      | Kyl        | Thompson  |
| Domenici  | Lott       | Thurmond  |
| Exon      | Lugar      | Warner    |
| Faircloth | Mack       |           |

**NAYS—43**

|          |            |               |
|----------|------------|---------------|
| Akaka    | Feinstein  | Lieberman     |
| Baucus   | Ford       | Moseley-Braun |
| Biden    | Glenn      | Moynihan      |
| Bingaman | Graham     | Murray        |
| Boxer    | Harkin     | Pell          |
| Bradley  | Heflin     | Pryor         |
| Breaux   | Hollings   | Reid          |
| Bryan    | Inouye     | Robb          |
| Bumpers  | Johnston   | Rockefeller   |
| Byrd     | Kennedy    | Sarbanes      |
| Conrad   | Kerry      | Simon         |
| Daschle  | Kohl       | Specter       |
| Dodd     | Lautenberg | Wellstone     |
| Dorgan   | Leahy      |               |
| Feingold | Levin      |               |

**NOT VOTING—1**

Mikulski

So the motion to lay on the table the amendment (No. 1184) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**AMENDMENT NO. 1185**

(Purpose: To reduce military spending by \$100 to reduce the deficit)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. HARKIN, proposes an amendment numbered 1185.

The amendment is as follows:

On page 5, line 17, decrease the amount by \$100.

On page 6, line 3, decrease the amount by \$100.

On page 6, line 16, decrease the amount by \$100.

On page 7, line 3, decrease the amount by \$100.

On page 7, line 15, decrease the amount by \$100.

On page 8, line 1, decrease the amount by \$100.

On page 8, line 10, decrease the amount by \$100.

On page 9, line 14, decrease the amount by \$100.

On page 11, line 7, decrease the amount by \$100.

On page 11, line 8, decrease the amount by \$100.

On page 66, line 10, decrease the amount by \$100.

On page 66, line 11, decrease the amount by \$100.

Mr. EXON. Mr. President, this amendment would simply reduce the defense budget by \$100. Let me repeat that. This amendment would simply reduce the defense budget by \$100 in fiscal year 1996. The savings is applied to the deficit reduction.

Mr. President, I reserve the balance of my 30 seconds.

Mr. DOMENICI. If I were you, I would, too.

Mr. President, the sponsor of the amendment is here. I am willing to accept this amendment without a vote. Would the Senator agree to that?

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

Mr. DOMENICI. Mr. President, this amendment is ludicrous on its face. We will spend more than \$100 printing the cost of this amendment and wasting time of this Senate.

AMENDMENT NO. 1186 TO AMENDMENT NO. 1185

(Purpose: To reduce swine research spending by \$100 to reduce the deficit)

Mr. DOMENICI. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. CRAIG, proposes an amendment numbered 1186 to amendment No. 1185.

The amendment is as follows:

In lieu of the matter proposed, insert the following:

On page 5, line 17, decrease the amount by 0.

On page 6, line 3, decrease the amount by 0.

On page 6, line 16, decrease the amount by 0.

On page 7, line 3, decrease the amount by 0.

On page 7, line 15, decrease the amount by 0.

On page 8, line 1, decrease the amount by 0.

On page 9, line 14, decrease the amount by 0.

On page 11, line 7, decrease the amount by 0.

On page 11, line 8, decrease the amount by 0.

On page 66, line 10, decrease the amount by 0.

On page 66, line 11, decrease the amount by 0.

It is the sense of the Congress that the functional levels assume that the swine research be reduced by \$100.00.

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

Mr. HARKIN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Iowa cannot reserve the right to object.

Is there an objection to the dispensing of the quorum?

Without objection, it is so ordered.

Mr. EXON. Mr. President, we are at a critical moment here. I would suggest that if the Senator from Iowa wishes to take \$100 out of defense, the second degree-amendment, as I understand it, would take \$100 out of swine research.

I would suggest to both sides, why do we not agree to sensibly take \$100 out of defense and \$100 out of the swine program, and move the Senate ahead.

Mr. DOLE. Or just raise \$100.

Mr. EXON. I will pay it myself.

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. HARKIN. Mr. President, I ask unanimous consent that the call of the quorum call be rescinded.

Mr. STEVENS. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard. The clerk will continue to call the roll.

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

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

Mr. EXON. Mr. President, the Senator from Nebraska made a suggestion a few moments ago that is now being seriously considered. I would simply ask, since we are moving so rapidly, and since we are near completing this in the next 2 hours if we hang on, I would just suggest once again that we have a voice vote on the proposition that we take \$100 out of the defense budget and \$100 out of the swine research facility in Iowa.

I suggest that be agreed to on a voice vote. I would like to know. We will put it in proper form if we can get approval of it on both sides.

Informally, I would ask if anyone would object if the Senator would put it in written form, what I have just orally stated?

Mr. HARKIN addressed the Chair.

Mr. DOLE. Mr. President, there is no debate.

The PRESIDING OFFICER. Under the regular order, the question is on the amendment.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I wonder for purposes of trying to move ahead with the budget, if the Senator might agree, and we will agree to take the two amendments, the one pending

and the amendment to it, set it aside without prejudice and let us move ahead with some of the other amendments?

Mr. EXON. We agree. I think that is a good suggestion.

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

The Senator from Nebraska.

AMENDMENT NO. 1187

(Purpose: To eliminate the firewall between defense and nondefense discretionary accounts)

Mr. EXON. Mr. President, I send an amendment to the desk for Senators SIMON and BUMPERS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, and Mr. BUMPERS, proposes an amendment numbered 1187.

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

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

The amendment is as follows:

On page 65, strike lines 13 through 18 and insert "\$477,820,000,000 in new budget authority and \$526,943,000,000 in outlays;"

On page 65, strike lines 20 through 25 and insert "\$466,192,000,000 in new budget authority and \$506,943,000,000 in outlays;"

On page 66, strike lines 2 through 7 and insert "\$479,568,000,000 in new budget authority and \$499,961,000,000 in outlays;"

On page 66, strike lines 9 through 14 and insert "\$477,485,000,000 in new budget authority and \$502,571,000,000 in outlays;"

On page 66, strike lines 16 through 21 and insert "\$492,177,000,000 in new budget authority and \$511,761,000,000 in outlays;"

On page 66, strike beginning with line 23 through line 3, page 67, and insert "\$496,098,000,000 in new budget authority and \$517,258,000,000 in outlays; and"

On page 67, strike lines 5 through 10 and insert "\$495,498,000,000 in new budget authority and \$518,160,000,000 in outlays;"

On page 67, line 22, strike "sum of the defense and nondefense"

Mr. EXON. Mr. President, the Simon-Bumpers amendment eliminates the resolution's provision that establishes a firewall between defense and non-defense discretionary accounts. The amendment does not change the levels of budget authority and outlays, and does not add a single cent to the deficit.

The amendment simply assures that Congress maintains flexibility to respond to changing spending priorities in a prudent, fiscally sound way. That sort of flexibility is particularly important in light of the vast uncertainties concerning the Nation's domestic and military commitments in the years ahead.

As we debate the Nation's priorities within the overall constraints of the balanced budget, we should not bind ourselves needlessly to subcategories within the discretionary caps. Removing the firewall is a vital step in achieving the necessary flexibility.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, while this does not change the numbers, it permits the defense moneys and the nondefense moneys to be fungible and move back and forth between the two.

The Budget Committee said we should not do that for the next 7 years. I believe they are right.

I move to table the amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, let me indicate we have lost about 10 or 15 minutes here. I would ask the clerk: At the end of the time we will turn in the scorecard.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The yeas and nays are ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—65

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Feinstein  | Mack      |
| Ashcroft  | Ford       | McCain    |
| Baucus    | Frist      | McConnell |
| Bennett   | Glenn      | Murkowski |
| Bingaman  | Gorton     | Nickles   |
| Bond      | Graham     | Nunn      |
| Brown     | Gramm      | Packwood  |
| Bryan     | Grams      | Pressler  |
| Burns     | Grassley   | Robb      |
| Campbell  | Gregg      | Roth      |
| Chafee    | Hatch      | Santorum  |
| Coats     | Heflin     | Shelby    |
| Cochran   | Helms      | Simpson   |
| Cohen     | Hutchison  | Smith     |
| Coverdell | Inhofe     | Snowe     |
| Craig     | Inouye     | Specter   |
| D'Amato   | Kempthorne | Stevens   |
| DeWine    | Kerrey     | Thomas    |
| Dole      | Kyl        | Thompson  |
| Domenici  | Lieberman  | Thurmond  |
| Exon      | Lott       | Warner    |
| Faircloth | Lugar      |           |

NAYS—33

|         |            |               |
|---------|------------|---------------|
| Akaka   | Feingold   | Levin         |
| Biden   | Harkin     | Moseley-Braun |
| Boxer   | Hatfield   | Moynihan      |
| Bradley | Hollings   | Murray        |
| Breaux  | Jeffords   | Pell          |
| Bumpers | Johnston   | Pryor         |
| Byrd    | Kennedy    | Reid          |
| Conrad  | Kerry      | Rockefeller   |
| Daschle | Kohl       | Sarbanes      |
| Dodd    | Lautenberg | Simon         |
| Dorgan  | Leahy      | Wellstone     |

NOT VOTING—2

|           |          |
|-----------|----------|
| Kassebaum | Mikulski |
|-----------|----------|

So the motion to lay on the table the amendment (No. 1187) was agreed to.

Mr. DOMENICI. Mr. President, might I suggest that Senators ought to take

heed of this now. What we are going to do, there are three more amendments from that side that we are ready to take up. Senator EXON is going to explain each of the three. I will have a brief explanation. Then everybody ought to stay here because we are going to vote on them one after another. We are not going to have an explanation at the end of each one. So three explanations, three amendments, and vote on those three amendments in sequence and immediately upon completing one go to another, no time interval for explanations.

Mr. EXON. I would just simply add then we will go on with the process that had been established by the majority leader for 10 minutes and 10 minutes only thereafter. That does not mean—

Mr. SIMON. Nine minutes.

Mr. EXON. Nine minutes thereafter. That does not mean we are going to change.

Mr. DOMENICI. Oh, no.

Mr. EXON. Anything other than to maybe expedite things for just a moment.

Mr. DOMENICI. Right.

Mr. EXON. We are getting very close.

Mr. DOMENICI. Right.

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

Mr. DOMENICI. I thank the Chair.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 1188

(Purpose: To express the sense of the Senate regarding the inclusion of reductions in Medicare spending in the concurrent resolution on the budget for fiscal year 1996)

Mr. EXON. The first of the three amendments that have just been suggested by the Budget Committee chairman I send to the desk in behalf of Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 1188.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE SPENDING.

(a) FINDINGS.—Congress finds that—

(1) Medicare protection is as important as Social Security protection in guaranteeing retirement security and is truly a part of Social Security;

(2) senior citizens have contributed throughout their working lives to Medicare in the expectation of health insurance protection when they retire;

(3) because of gaps in Medicare coverage, senior citizens already spend more than one dollar in five of their limited incomes to purchase the health care that they need;

(4) low and moderate-income senior citizens will suffer most from Medicare cuts, since 83 percent of all Medicare spending is for older Americans with annual incomes below \$25,000 and two-thirds is for those with annual incomes below \$15,000;

(5) at the present time, Medicare only pays 68 percent of what the private sector pays for

comparable physicians' services and 69 percent of what the private sector pays for comparable hospital care;

(6) piecemeal, budget-driven cuts in Medicare will only shift costs from the Federal budget to the family budgets of senior citizens and working Americans;

(7) deep cuts in Medicare could damage the quality of American medicine, by endangering hospitals and other health care institutions that depend on Medicare, including rural hospitals, inner-city hospitals, and academic health centers;

(8) deep cuts in Medicare will make essential health care less available to millions of uninsured Americans, by endangering the financial stability of hospitals providing such care; and

(9) cuts in Medicare benefits should not be used to pay for tax cuts for the wealthy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this concurrent resolution assume that reductions in projected Medicare spending included in the reconciliation bill for fiscal year 1996 should not increase medical costs such as premiums, deductibles, and coinsurance or diminish access to health care for senior citizens, and further, that major reductions in projected Medicare spending should not be enacted by the Congress except in the context of a broad, bipartisan health reform plan that will not—

- (1) increase costs or reduce access to care for senior citizens;
- (2) shift costs to working Americans; or
- (3) damage the quality of American medicine.

Mr. EXON. Mr. President, Senator KENNEDY's amendment urges that any reductions in Medicare should not increase premiums, deductibles and coinsurance for senior citizens and that Medicare reductions should not be enacted except as part of a broader health reform.

I send a second amendment to the desk.

Mr. DOLE. Could I have an explanation of the one we just did, an explanation of the first Kennedy amendment?

Mr. EXON. I thought we were going to do it in sequence.

Go ahead.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We interpret the Kennedy amendment to propose that we hold Medicare reform hostage until we have a national health care reform package. But I am going to move to table it at the appropriate time in any event.

AMENDMENT NO. 1189

(Purpose: To restore \$28,000,000,000 in outlays over seven years to reduce by \$22,000,000,000 the discretionary cuts proposed in elementary and secondary education programs and reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) by \$6 billion by closing corporate tax loopholes)

Mr. EXON. Mr. President, I send an amendment to the desk, a second amendment, offered by Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, for himself, Mr. DODD, Mr.

SIMON, and Mr. PELL, proposes an amendment numbered 1189.

The amendment is as follows:

On page 3, line 10, increase the amount by \$5,100,000,000.  
 On page 3, line 11, increase the amount by \$3,400,000,000.  
 On page 3, line 12, increase the amount by \$3,600,000,000.  
 On page 3, line 13, increase the amount by \$3,800,000,000.  
 On page 3, line 14, increase the amount by \$4,000,000,000.  
 On page 3, line 15, increase the amount by \$4,000,000,000.  
 On page 3, line 16, increase the amount by \$4,100,000,000.  
 On page 3, line 20, increase the amount by \$5,100,000,000.  
 On page 3, line 21, increase the amount by \$3,400,000,000.  
 On page 3, line 22, increase the amount by \$3,600,000,000.  
 On page 3, line 23, increase the amount by \$3,800,000,000.  
 On page 3, line 24, increase the amount by \$4,000,000,000.  
 On page 3, line 25, increase the amount by \$4,000,000,000.  
 On page 4, line 1, increase the amount by \$4,100,000,000.  
 On page 4, line 18, increase the amount by \$5,100,000,000.  
 On page 4, line 19, increase the amount by \$3,400,000,000.  
 On page 4, line 20, increase the amount by \$3,600,000,000.  
 On page 4, line 21, increase the amount by \$3,800,000,000.  
 On page 4, line 22, increase the amount by \$4,000,000,000.  
 On page 4, line 23, increase the amount by \$4,000,000,000.  
 On page 4, line 24, increase the amount by \$4,100,000,000.  
 On page 5, line 4, increase the amount by \$5,100,000,000.  
 On page 5, line 5, increase the amount by \$3,400,000,000.  
 On page 5, line 6, increase the amount by \$3,600,000,000.  
 On page 5, line 7, increase the amount by \$3,800,000,000.  
 On page 5, line 8, increase the amount by \$4,000,000,000.  
 On page 5, line 9, increase the amount by \$4,000,000,000.  
 On page 5, line 10, increase the amount by \$4,100,000,000.  
 On page 5, line 17, increase the amount by \$28,300,000,000.  
 On page 5, line 18, increase the amount by \$3,800,000,000.  
 On page 5, line 19, increase the amount by \$3,600,000,000.  
 On page 5, line 20, increase the amount by \$3,800,000,000.  
 On page 5, line 21, increase the amount by \$4,000,000,000.  
 On page 5, line 22, increase the amount by \$4,000,000,000.  
 On page 5, line 23, increase the amount by \$4,100,000,000.  
 On page 6, line 16, increase the amount by \$5,100,000,000.  
 On page 6, line 17, increase the amount by \$3,400,000,000.  
 On page 6, line 18, increase the amount by \$3,600,000,000.  
 On page 6, line 19, increase the amount by \$3,800,000,000.  
 On page 6, line 20, increase the amount by \$4,000,000,000.  
 On page 6, line 21, increase the amount by \$4,000,000,000.  
 On page 6, line 22, increase the amount by \$4,100,000,000.

On page 31, line 12, increase the amount by \$28,300,000,000.

On page 31, line 20, increase the amount by \$3,800,000,000.  
 On page 32, line 3, increase the amount by \$3,600,000,000.  
 On page 32, line 11, increase the amount by \$3,800,000,000.  
 On page 32, line 19, increase the amount by \$4,000,000,000.  
 On page 33, line 2, increase the amount by \$4,000,000,000.  
 On page 33, line 10, increase the amount by \$4,100,000,000.  
 On page 31, line 13, increase the amount by \$5,100,000,000.  
 On page 31, line 21, increase the amount by \$3,400,000,000.  
 On page 32, line 4, increase the amount by \$3,600,000,000.  
 On page 32, line 12, increase the amount by \$3,800,000,000.  
 On page 32, line 20, increase the amount by \$4,000,000,000.  
 On page 33, line 3, increase the amount by \$4,000,000,000.  
 On page 33, line 11, increase the amount by \$4,100,000,000.  
 On page 64, line 9, decrease the amount by \$1,100,000,000.  
 On page 64, line 10, decrease the amount by \$4,600,000,000.  
 On page 64, line 11, decrease the amount by \$6,000,000,000.  
 On page 65, line 17, increase the amount by \$26,700,000,000.  
 On page 65, line 18, increase the amount by \$4,000,000,000.  
 On page 65, line 24, increase the amount by \$3,400,000,000.  
 On page 65, line 25, increase the amount by \$3,000,000,000.  
 On page 66, line 6, increase the amount by \$3,000,000,000.  
 On page 66, line 7, increase the amount by \$3,000,000,000.  
 On page 66, line 13, increase the amount by \$3,000,000,000.  
 On page 66, line 14, increase the amount by \$3,000,000,000.  
 On page 66, line 20, increase the amount by \$3,000,000,000.  
 On page 66, line 21, increase the amount by \$3,000,000,000.  
 On page 67, line 2, increase the amount by \$3,000,000,000.  
 On page 67, line 3, increase the amount by \$3,000,000,000.  
 On page 67, line 9, increase the amount by \$3,000,000,000.  
 On page 67, line 10, increase the amount by \$3,000,000,000.

Mr. EXON. Mr. President, Senator KENNEDY's amendment would restore \$28 billion over the budget period for education, \$6 billion to student loan accounts, \$22 billion to restore funding to elementary and secondary education programs.

Mr. DOMENICI. Mr. President, this increases taxes \$22 billion and provides for the expenditure thereof without any assurance it will be spent that way under budget law.

#### AMENDMENT NO. 1190

(Purpose: To add \$8,871,091,316 in budget authority and \$6,770,659,752 in outlays to Function 500 over 7 years to restore funding to the Pell Grant Program by closing tax loopholes)

Mr. EXON. Mr. President, I send a third amendment by Senator KENNEDY to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, for himself and Mr. PELL, proposes an amendment numbered 1190.

The amendment is as follows:

On page 3, line 10, increase the amount by \$13,049,296.  
 On page 3, line 11, increase the amount by \$137,045,490.  
 On page 3, line 12, increase the amount by \$503,890,941.  
 On page 3, line 13, increase the amount by \$902,889,932.  
 On page 3, line 14, increase the amount by \$1,300,174,427.  
 On page 3, line 15, increase the amount by \$1,729,683,671.  
 On page 3, line 16, increase the amount by \$2,183,925,995.  
 On page 3, line 20, increase the amount by \$13,049,296.  
 On page 3, line 21, increase the amount by \$137,045,490.  
 On page 3, line 22, increase the amount by \$503,890,941.  
 On page 3, line 23, increase the amount by \$902,889,932.  
 On page 3, line 24, increase the amount by \$1,300,174,427.  
 On page 3, line 25, increase the amount by \$1,729,683,671.  
 On page 4, line 1, increase the amount by \$2,183,925,995.  
 On page 4, line 18, increase the amount by \$13,049,296.  
 On page 4, line 19, increase the amount by \$137,045,490.  
 On page 4, line 20, increase the amount by \$503,890,941.  
 On page 4, line 21, increase the amount by \$902,889,932.  
 On page 4, line 22, increase the amount by \$1,300,174,427.  
 On page 4, line 23, increase the amount by \$1,729,683,671.  
 On page 4, line 24, increase the amount by \$2,183,925,995.  
 On page 5, line 4, increase the amount by \$13,049,296.  
 On page 5, line 5, increase the amount by \$137,045,490.  
 On page 5, line 6, increase the amount by \$503,890,941.  
 On page 5, line 7, increase the amount by \$902,889,932.  
 On page 5, line 8, increase the amount by \$1,300,174,427.  
 On page 5, line 9, increase the amount by \$1,729,683,671.  
 On page 5, line 10, increase the amount by \$2,183,925,995.  
 On page 5, line 17, increase the amount by \$65,246,479.  
 On page 5, line 18, increase the amount by \$430,766,179.  
 On page 5, line 19, increase the amount by \$832,941,958.  
 On page 5, line 20, increase the amount by \$1,222,899,409.  
 On page 5, line 21, increase the amount by \$1,648,270,247.  
 On page 5, line 22, increase the amount by \$2,097,874,450.  
 On page 5, line 23, increase the amount by \$2,573,092,594.  
 On page 6, line 16, increase the amount by \$13,049,296.  
 On page 6, line 17, increase the amount by \$137,045,490.  
 On page 6, line 18, increase the amount by \$503,890,941.  
 On page 6, line 19, increase the amount by \$902,889,932.  
 On page 6, line 20, increase the amount by \$1,300,174,427.  
 On page 6, line 21, increase the amount by \$1,729,683,671.

On page 6, line 22, increase the amount by \$2,183,925,995.

On page 31, line 12, increase the amount by \$65,246,479.

On page 31, line 13, increase the amount by \$13,049,296.

On page 31, line 20, increase the amount by \$430,766,179.

On page 31, line 21, increase the amount by \$137,045,490.

On page 32, line 3, increase the amount by \$832,941,958.

On page 32, line 4, increase the amount by \$503,890,941.

On page 32, line 11, increase the amount by \$1,222,899,409.

On page 32, line 12, increase the amount by \$902,889,932.

On page 32, line 19, increase the amount by \$1,648,270,247.

On page 32, line 20, increase the amount by \$1,300,174,427.

On page 33, line 2, increase the amount by \$2,097,874,450.

On page 33, line 3, increase the amount by \$1,729,683,671.

On page 33, line 10, increase the amount by \$2,573,092,594.

On page 33, line 11, increase the amount by \$2,183,925,995.

On page 65, line 17, increase the amount by \$65,246,479.

On page 65, line 18, increase the amount by \$13,049,296.

On page 65, line 24, increase the amount by \$430,766,179.

On page 65, line 25, increase the amount by \$137,045,490.

On page 66, line 6, increase the amount by \$832,941,958.

On page 66, line 7, increase the amount by \$503,890,941.

On page 66, line 13, increase the amount by \$1,222,899,409.

On page 66, line 14, increase the amount by \$902,889,932.

On page 66, line 20, increase the amount by \$1,648,270,247.

On page 66, line 21, increase the amount by \$1,300,174,427.

On page 67, line 2, increase the amount by \$2,097,874,450.

On page 67, line 3, increase the amount by \$1,729,683,671.

On page 67, line 9, increase the amount by \$2,573,092,594.

On page 67, line 10, increase the amount by \$2,183,925,995.

Mr. EXON. Mr. President, this amendment is about something that we all know a great deal and have generally supported very well, Pell grants. This amendment, also sponsored by Senator PELL, would restore \$8.8 billion over the budget period to protect the value of Pell grants against inflation and increasing college enrollments. Under the pending budget proposal, the Pell grants would decline in value by 40 percent over the next 7 years.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, again, we are going to raise taxes by \$8.8 billion to spend that amount of money. I believe we have held firm on that heretofore, and I hope we do so again.

Mr. EXON. Mr. President, I ask unanimous consent that it be in order that all three amendments be ordered to be for a rollcall vote.

Mr. DOMENICI. Mr. President, I do not waive a right to table the amendments, do I, with that?

Mr. EXON. No, the Senator does not. Mr. DOMENICI. Fine. I have no objection.

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

Mr. DOLE. Mr. President, I think we have a way to dispose of Harkin-McCain. I would add that as a fourth effort and move to table the underlying amendment—that will take care of both of them—and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Reserving the right to object to make sure we understand that—

Mr. DOLE. I have cleared it with Senator HARKIN.

Mr. EXON. I believe what the majority leader just said has been agreed to by Senator HARKIN, but I do want to check with him. As I understand it, you on that side will offer a tabling motion.

Mr. DOLE. I just did it.

Mr. EXON. The Senator just did it.

Mr. DOLE. To table both of them.

Mr. EXON. And that will be the fourth of the series of votes that we have just scheduled.

Mr. DOLE. Right.

Mr. HARKIN. That is a motion to table Harkin.

Mr. DOLE. Yes.

Mr. EXON. Anyone may reserve the right to offer a motion to table.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, were the yeas and nays ordered on the three amendments?

The PRESIDING OFFICER. They have not been ordered.

Mrs. BOXER. Reserving the right to object, is this the Harkin amendment?

The PRESIDING OFFICER. There is a request pending.

Mr. BYRD. Mr. President, was the request granted that the yeas and nays will be in order on all three?

The PRESIDING OFFICER. That request has been agreed to.

Mr. BYRD. I ask for the yeas and nays on all three.

The PRESIDING OFFICER. Is there a sufficient?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I move to table the first Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1188

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—58

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Feinstein  | McCain    |
| Ashcroft  | Frist      | McConnell |
| Baucus    | Gorton     | Murkowski |
| Bennett   | Gramm      | Nickles   |
| Bond      | Grams      | Nunn      |
| Brown     | Grassley   | Packwood  |
| Burns     | Gregg      | Pressler  |
| Byrd      | Hatch      | Roth      |
| Campbell  | Hatfield   | Santorum  |
| Chafee    | Helms      | Shelby    |
| Coats     | Hutchison  | Simpson   |
| Cochran   | Inhofe     | Smith     |
| Cohen     | Kassebaum  | Snowe     |
| Coverdell | Kempthorne | Stevens   |
| Craig     | Kerrey     | Thomas    |
| D'Amato   | Kyl        | Thompson  |
| DeWine    | Lieberman  | Thurmond  |
| Dole      | Lott       | Warner    |
| Domenici  | Lugar      |           |
| Faircloth | Mack       |           |

NAYS—41

|          |            |               |
|----------|------------|---------------|
| Akaka    | Ford       | Levin         |
| Biden    | Glenn      | Moseley-Braun |
| Bingaman | Graham     | Moynihan      |
| Boxer    | Harkin     | Murray        |
| Bradley  | Heflin     | Pell          |
| Breaux   | Hollings   | Pryor         |
| Bryan    | Inouye     | Reid          |
| Bumpers  | Jeffords   | Robb          |
| Conrad   | Johnston   | Rockefeller   |
| Daschle  | Kennedy    | Sarbanes      |
| Dodd     | Kerry      | Simon         |
| Dorgan   | Kohl       | Specter       |
| Exon     | Lautenberg | Wellstone     |
| Feingold | Leahy      |               |

NOT VOTING—1

Mikulski

So the motion to table the amendment (No. 1188) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the second Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1189

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1189, offered by the Senator from Massachusetts [Mr. KENNEDY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 219 Leg.]

## YEAS—54

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Frist      | McConnell |
| Ashcroft  | Gorton     | Murkowski |
| Baucus    | Gramm      | Nickles   |
| Bennett   | Grams      |           |
| Bond      | Grassley   | Packwood  |
| Brown     | Gregg      | Pressler  |
| Burns     | Hatch      | Roth      |
| Campbell  | Hatfield   | Santorum  |
| Coats     | Helms      | Shelby    |
| Cochran   | Hutchison  | Simpson   |
| Cohen     | Inhofe     | Smith     |
| Coverdell | Kassebaum  | Snowe     |
| Craig     | Kempthorne | Specter   |
| D'Amato   | Kyl        | Stevens   |
| DeWine    | Lott       | Thomas    |
| Dole      | Lugar      | Thompson  |
| Domenici  | Mack       | Thurmond  |
| Faircloth | McCain     | Warner    |

## NAYS—45

|          |           |               |
|----------|-----------|---------------|
| Akaka    | Feingold  | Lautenberg    |
| Biden    | Feinstein | Leahy         |
| Bingaman | Ford      | Levin         |
| Boxer    | Glenn     | Lieberman     |
| Bradley  | Graham    | Moseley-Braun |
| Breaux   | Harkin    | Moynihan      |
| Bryan    | Heflin    | Murray        |
| Bumpers  | Hollings  | Pell          |
| Byrd     | Inouye    | Pryor         |
| Chafee   | Jeffords  | Reid          |
| Conrad   | Johnston  | Robb          |
| Daschle  | Kennedy   | Rockefeller   |
| Dodd     | Kerrey    | Sarbanes      |
| Dorgan   | Kerry     | Simon         |
| Exon     | Kohl      | Wellstone     |

## NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1189) was agreed to.

Mr. DOMENICI. Mr. President, is the pending business the third pending amendment?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1190

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

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

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 220 Leg.]

## YEAS—55

|           |           |            |
|-----------|-----------|------------|
| Abraham   | D'Amato   | Helms      |
| Ashcroft  | DeWine    | Hutchison  |
| Baucus    | Dole      | Inhofe     |
| Bennett   | Domenici  | Kassebaum  |
| Bond      | Faircloth | Kempthorne |
| Brown     | Feinstein | Kyl        |
| Burns     | Frist     | Lott       |
| Campbell  | Gorton    | Lugar      |
| Chafee    | Gramm     | Mack       |
| Coats     | Grams     | McCain     |
| Cochran   | Grassley  | McConnell  |
| Cohen     | Gregg     | Murkowski  |
| Coverdell | Hatch     | Nickles    |
| Craig     | Hatfield  | Packwood   |

|          |
|----------|
| Pressler |
| Roth     |
| Santorum |
| Shelby   |
| Simpson  |

|         |
|---------|
| Smith   |
| Snowe   |
| Specter |
| Stevens |
| Thomas  |

|          |
|----------|
| Thompson |
| Thurmond |
| Warner   |

## NAYS—44

|          |
|----------|
| Akaka    |
| Biden    |
| Bingaman |
| Boxer    |
| Bradley  |
| Breaux   |
| Bryan    |
| Bumpers  |
| Byrd     |
| Conrad   |
| Daschle  |
| Dodd     |
| Dorgan   |
| Exon     |
| Feingold |

|            |
|------------|
| Ford       |
| Glenn      |
| Graham     |
| Harkin     |
| Heflin     |
| Hollings   |
| Inouye     |
| Jeffords   |
| Johnston   |
| Kennedy    |
| Kerrey     |
| Kerry      |
| Kohl       |
| Lautenberg |
| Leahy      |

|               |
|---------------|
| Levin         |
| Lieberman     |
| Moseley-Braun |
| Moynihan      |
| Murray        |
| Nunn          |
| Pell          |
| Pryor         |
| Reid          |
| Robb          |
| Rockefeller   |
| Sarbanes      |
| Simon         |
| Wellstone     |

## NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1190) was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1185

The PRESIDING OFFICER. The question is now on agreeing to the motion to table amendment No. 1185. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 26, as follows:

[Rollcall Vote No. 221 Leg.]

## YEAS—73

|           |
|-----------|
| Abraham   |
| Akaka     |
| Ashcroft  |
| Baucus    |
| Bennett   |
| Biden     |
| Bingaman  |
| Bond      |
| Brown     |
| Bryan     |
| Burns     |
| Byrd      |
| Campbell  |
| Chafee    |
| Coats     |
| Cochran   |
| Cohen     |
| Coverdell |
| D'Amato   |
| DeWine    |
| Dodd      |
| Dole      |
| Domenici  |
| Exon      |
| Faircloth |

|            |
|------------|
| Feinstein  |
| Ford       |
| Frist      |
| Glenn      |
| Gorton     |
| Graham     |
| Gramm      |
| Grams      |
| Gregg      |
| Hatch      |
| Hatfield   |
| Heflin     |
| Helms      |
| Hutchison  |
| Inhofe     |
| Inouye     |
| Jeffords   |
| Kassebaum  |
| Kempthorne |
| Kerry      |
| Kyl        |
| Leahy      |
| Lieberman  |
| Lott       |
| Lugar      |

|           |
|-----------|
| Mack      |
| McCain    |
| McConnell |
| Moynihan  |
| Murkowski |
| Nickles   |
| Nunn      |
| Packwood  |
| Pressler  |
| Reid      |
| Robb      |
| Roth      |
| Santorum  |
| Sarbanes  |
| Shelby    |
| Simpson   |
| Smith     |
| Specter   |
| Stevens   |
| Thomas    |
| Thompson  |
| Thurmond  |
| Warner    |

## NAYS—26

|          |
|----------|
| Boxer    |
| Bradley  |
| Breaux   |
| Bumpers  |
| Conrad   |
| Craig    |
| Daschle  |
| Dorgan   |
| Feingold |

|            |
|------------|
| Grassley   |
| Harkin     |
| Hollings   |
| Johnston   |
| Kennedy    |
| Kerrey     |
| Kohl       |
| Lautenberg |
| Levin      |

|               |
|---------------|
| Moseley-Braun |
| Murray        |
| Pell          |
| Pryor         |
| Rockefeller   |
| Simon         |
| Snowe         |
| Wellstone     |

## NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1185) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I ask unanimous consent—and I have talked to Senator DOMENICI about this—that we might recognize the Senator from California very briefly for a unanimous consent request that I think will be approved.

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

Mrs. FEINSTEIN. Mr. President, thank you very much.

## CHANGE OF VOTE

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to change my vote on rollcall No. 220, amendment numbered 1190, from a "yea" to a "nay." It will not make a difference in the vote count.

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

(The foregoing tally has been changed to reflect the above order.)

## AMENDMENT NO. 1191

(Purpose: To express the sense of the Senate regarding the priority that should be given to renewable energy and energy efficiency research, development, and demonstration activities)

Mr. EXON. Mr. President, I have an amendment submitted by Senator BINGAMAN and Senator JEFFORDS that expresses the sense of the Senate on renewable energy and energy efficiency technologies and research development and demonstration activities in these areas, and our priority within the Federal Energy Research Program. Co-sponsors of this amendment are Mrs. MURRAY, Mr. HARKIN, and Mr. LEAHY. I think it has been cleared on both sides.

Mr. DOMENICI. Mr. President, we have no objection. We accept the amendment.

Mr. EXON. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BINGAMAN, for himself, Mr. JEFFORDS, Mrs. MURRAY, Mr. HARKIN, and Mr. LEAHY, proposes an amendment numbered 1191.

The amendment is as follows:

At the end of title III, add the following:

**SEC. . SENSE OF THE SENATE REGARDING THE PRIORITY THAT SHOULD BE GIVEN TO RENEWABLE ENERGY AND ENERGY EFFICIENCY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.**

(a) FINDINGS.—Congress finds that—

(1) section 1202 of the Energy Policy Act of 1992 (106 Stat. 2956), which passed the Senate 93 to 3 and was signed into law by President Bush in 1992, amended section 6 of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12005) to direct the Secretary of Energy to conduct a 5-year program to commercialize renewable energy and energy efficiency technologies;

(2) poll after poll shows that the American people overwhelmingly believe that renewable energy and energy efficiency technologies should be the highest priority of

Federal research, development, and demonstration activities;

(3) renewable technologies (such as wind, photovoltaic, solar thermal, geothermal, and biomass technology) have made significant progress toward increased reliability and decreased cost;

(4) energy efficient technologies in the building, industrial, transportation, and utility sectors have saved more than 3 trillion dollars for industries, consumers, and the Federal Government over the past 20 years while creating jobs, improving the competitiveness of the economy, making housing more affordable, and reducing the emissions of environmentally damaging pollutants;

(5) the renewable energy and energy efficiency technology programs feature private sector cost shares that are among the highest of Federal energy research and development programs;

(6) according to the Energy Information Administration, the United States currently imports more than 50 percent of its oil, representing \$46,000,000,000, or approximately 40 percent, of the \$116,000,000,000 total United States merchandise deficit in 1993; and

(7) renewable energy and energy efficiency technologies represent potential inroads for American companies into export markets for energy products and services estimated at least \$225,000,000,000 over the next 25 years.

(b) SENSE OF SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumption that renewable energy and energy efficiency technology research, development, and demonstration activities should be given priority among the Federal energy research programs.

The PRESIDING OFFICER. Without objection, the amendment (No. 1191) is agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. At the suggestion of the majority leader, we have engaged in taking three amendments in a row and explaining them in advance, and then voting on them one after another so that there is no time lost. Senator EXON is going to offer three amendments, all three Bradley amendments. We know what they are.

I ask unanimous consent that it be in order now for the managers to explain each of the three in sequence and thereafter, when the explanations are completed, each of the amendments be voted in sequence and that time for each amendment be 10 minutes.

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

Mr. EXON. Mr. President, I thank my colleague for the explanation.

AMENDMENT NO. 1192

(Purpose: To establish a process to identify and control tax expenditures by setting a target for cuts)

Mr. EXON. I send an amendment to the desk, the No. 1 Bradley amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, for himself and Mr. DASCHLE, proposes an amendment numbered 1192.

The amendment is as follows:

On page 79, between lines 3 and 4, insert the following:

**SEC. . IDENTIFICATION AND CONTROL OF TAX EXPENDITURES.**

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) that does not include—

(1) appropriate levels for the budget year and planning levels for each of the 6 fiscal years following the budget year for the total amount, if any, tax expenditures should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

(2) tax expenditures for each major functional category, based on the allocations of the total levels set forth in the resolution.

(b) CBO.—The Director of the Congressional Budget Office shall include alternatives for allocating tax expenditures in accordance with national priorities as required by section 202(f)(1) of the Congressional Budget Act of 1974.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

Mr. BRADLEY. Mr. President, this amendment makes a very simple point: we can spend money just as easily through the Tax Code as we can through the appropriations process or through the creation of mandatory spending programs.

The amendment that I have offered would simply require that in our annual budget process we establish targets for reducing tax loopholes—just as we do for all other types of spending. Those targets would be enforced through a separate line in our budget reconciliation instructions for reductions in tax loopholes. We already do this for other entitlement programs. There is no reason not to do so for tax loopholes. The Senate would pass a budget resolution asking the Finance Committee to reduce tax loopholes, for example, by \$10 billion a year or \$20 billion or whatever the Senate decides is prudent. It would be up to the Finance Committee to meet those targets through the reconciliation process.

This separate tax expenditure target would not replace our current revenue targets. Instead, it would simply ensure that the committee take at least the specified amount from tax loopholes. In other words, we would ensure that the committee would not raise the targeted amount from rate increases.

I think we should be honest about the hundreds of billions of dollars that we spend each year through tax loopholes. Spending is spending, whether it comes in the form of a government check or in the form of a special exception from the tax rates that apply to everyone else.

Tax expenditures are a large and rapidly growing form of spending by the Federal Government. According to the Budget Committee, in 1996, tax expenditures will cost over \$480 billion; left unchecked, we will spend roughly \$4 trillion on tax expenditures between now and 2002. In 1986, we dramatically scaled back these loopholes. However, since that time, they have grown at an astronomical rate. At a time when we are properly talking about other spending cuts, I do not believe that tax expenditures should be off the table.

Tax expenditures or tax loopholes allow some taxpayers to lower their taxes and leave the rest of us paying higher taxes than we otherwise would pay. By requiring that Congress establish specific targets for tax loopholes as part of the budget reconciliation process, this amendment simply places tax loopholes under the same budgetary scrutiny as all other spending programs.

Tax loopholes do not, as some would say, simply allow people to keep more of what they have earned. Rather, they give the few a special exception from the rules that oblige everyone to share in the responsibility of the national defense and protecting the young, the aged, and the infirm.

Mr. President, in the face of a Federal debt rapidly approaching \$5 trillion, we cannot afford to be timid. Our children's way of life is dependent upon our acting on the Federal deficit today and tomorrow and every year thereafter until we restore fiscal sanity to our budget. We cannot wait until we grow our way out of the debt. And we should not and cannot wait until deficits start drifting up in the latter half of this decade before we do something.

The Congressional Budget Office tells us that by 2004 the national debt held by the public will rise to roughly \$6 trillion. At that time, the national debt will equal almost 55 percent of our gross domestic product. By 2004, interest payments on that debt will be approximately \$334 billion, or over 3 percent of our gross domestic product. One recent report stated that these interest payments will cost each of today's children over \$130,000 in extra taxes over the course of their lifetime. Our national debt is nothing less than a mortgage on our Nation's, and our children's, future.

Mr. President, let us not kid ourselves. As we have seen from this week's debate, addressing our burgeoning debt will not be easy. If it was, we would have done it years ago. Instead, it will require a very thoughtful, and sometimes difficult, debate over our Nation's priorities and what sacrifices

we are willing to make in order to balance the budget. This means that we are going to have to take a hard look at what we spend the taxpayers' money on. And that means all of our spending programs—tax expenditures included.

The purpose of this amendment is simply to try to draw the Senate's attention to the very targeted spending we do through the Tax Code—spending that is not subject to the annual appropriations process; spending that is not subject to the executive order capping the growth of mandatory spending; spending that is rarely ever debated on the floor of the Senate once it becomes part of the Tax Code. The preferential deductions or credits or depreciation schedules or timing rules that we provide through the Tax Code are simply entitlement programs under another guise. Many of them make sense, Mr. President. And I would be the first to admit that. Many, however, probably could not stand the light of day if we had to vote on them as direct spending programs.

Given our critical need for deficit reduction, tax spending should not be treated any better or worse than other programs. It should not be protected any more than Social Security payments or crop price support payments or Medicare payments or welfare payments.

What am I really talking about? I am talking about provisions that allow wealthy Americans to renounce their citizenship in order to avoid paying their fair share of U.S. taxes. That is already in the Tax Code. I am talking about letting wealthy taxpayers rent their homes for 2 weeks a year without having to report any income. That is already in the Tax Code. I am talking about providing production subsidies in excess of the dollars invested for the production of lead, uranium and asbestos—three poisons on which we spend millions of dollars each year just trying to clean up. That is already in the code. I am talking about tax credits for clean-fuel vehicles, cancellation of indebtedness income for farmers or real estate developers, special amortization periods for timber companies' reforestation efforts, industrial development bonds for airports or docks, special treatment of capital construction funds for shipping companies, et cetera, et cetera.

Mr. President, let me be clear that this bill does not pinpoint specific programs and I am not suggested that we eliminate all tax expenditures. In fact, I support many of them. Instead, I am simply suggesting that we subject them to the same level of scrutiny as all other entitlement programs.

If we are serious about deficit reduction—and for our Nation's future I sincerely hope that we are—then every segment of spending will have to be examined. We cannot do it fairly through discretionary spending cuts alone. Indeed, that is an area of the budget that is shrinking in terms of gross national product. Likewise, we cannot do it fair-

ly through entitlement cuts alone. In order to achieve equitable, lasting deficit reduction, we will need to consider tax loopholes as well.

Mr. DASCHLE. Mr. President, for nearly a decade now, one of our primary tasks has been to leash the burgeoning budget deficit and keep it under control. As my colleagues well know, the process of reducing the deficit is a painstaking one, during which every item of direct spending is scrutinized. Even entitlements are today facing the budget ax—for example, this budget resolution envisions \$256 billion in Medicare cuts alone.

This scrutiny, however, is reserved for direct spending items. Yet, one of our largest areas of spending in the Federal budget is tax expenditures—exclusions, exemptions, deductions, credits, preferential rates, and deferrals of tax liability. While, at the margin, we can debate exactly what constitutes a tax expenditure, these items will drain about \$480 billion from Federal revenues this year.

Let me make it clear that I do not support a massive elimination of tax expenditures without regard to merit. However, this very large and important part of Federal spending—for, clearly, that is what it is—deserves the same scrutiny as direct spending.

Currently, tax expenditures receive only minimal attention on an annual basis. Nowhere is this information incorporated in the budget process in a meaningful way—a way that spurs action to limit this form of spending. There are no targets for tax expenditures called for in the budget resolution, and there is nothing to force members to view tax expenditures by budget function, comparing aggregate spending in any given area through both direct spending and tax expenditures.

The Bradley amendment would require the annual budget resolution to set forth the total amount, if any, by which tax expenditures should be increased or decreased. The resolution would have to include such totals both for the upcoming fiscal year and, for planning purposes, for the following 6 fiscal years. Additionally, the total level of tax expenditures for the upcoming fiscal year would need to be broken out among the major functional categories. The budget resolution would be subject to a point of order if it failed to include the information on tax expenditures that is required by the Bradley amendment.

I applaud Senator BRADLEY for his continued leadership on this very important issue, and I urge my colleagues to join me in supporting his amendment.

Mr. EXON. Very briefly, this Bradley amendment requires Congress to set targets for reduction in tax expenditures similar to targets it set for mandatory spending in our budget resolution instructions.

Mr. DOMENICI. Mr. President, this is going to be subject to a point of order.

It establishes a whole new process in treating budget resolutions and tax bills, and I do not believe we ought to be doing it here on the floor. When it is appropriate, I will raise the point of order.

AMENDMENT NO. 1193

(Purpose: To restore cuts in Medicare and NIH by raising the tobacco tax by \$1 a pack)

Mr. EXON. Mr. President, I submit the second Bradley amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1193.

The amendment is as follows:

At the end of title III, add the following new section:

**SEC. —. SENSE OF THE SENATE REGARDING OFFSETTING NIH AND MEDICARE CUTS WITH TOBACCO TAX REVENUES.**

(a) TOBACCO TAX.—It is the sense of the Senate that the Senate Committee on Finance, in meeting the committee's revenue instruction under section 6, will increase the Federal tax on cigarettes by \$1.00 a pack, tax smokeless tobacco products at the same rate as cigarettes, and increase the tax on all other tobacco products by a factor of 5.1667 and that the resulting revenues will be allocated as provided in subsection (b).

(b) USE OF REVENUES.—The revenues resulting from the taxes provided in subsection (a) shall be allocated as follows:

(1) 90 percent of the revenues (\$75,900,000,000) to offset medicare cuts, reducing the total amount of cuts by 30 percent.

(2) 9.4 percent of the revenues (\$7,900,000,000) to offset the entire reduction to the NIH budget.

(3) 0.6 percent of the revenues, \$530,000,000 to assist tobacco farmers and communities in converting to new crops.

On page 63, line 7, strike the period and insert the following: “. The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues \$12.5 billion in fiscal year 1996, \$61.8 billion for the period of fiscal years 1996 through 2000, and \$84.3 billion for the period of fiscal years 1996 through 2002.”

On page 3, line 10, increase the amount by \$12.5 billion.

On page 3, line 11, increase the amount by \$12.8 billion.

On page 3, line 12, increase the amount by \$12.5 billion.

On page 3, line 13, increase the amount by \$12.2 billion.

On page 3, line 14, increase the amount by \$11.8 billion.

On page 3, line 15, increase the amount by \$11.4 billion.

On page 3, line 16, increase the amount by \$11.1 billion.

On page 3, line 20, increase the amount by \$12.5 billion.

On page 3, line 21, increase the amount by \$12.8 billion.

On page 3, line 22, increase the amount by \$12.5 billion.

On page 3, line 23, increase the amount by \$12.2 billion.

On page 3, line 24, increase the amount by \$11.8 billion.

On page 3, line 25, increase the amount by \$11.4 billion.

On page 3, line 26, increase the amount by \$11.1 billion.

On page 4, line 18, increase the amount by \$12.5 billion.

On page 4, line 19, increase the amount by \$12.8 billion.  
 On page 4, line 20, increase the amount by \$12.5 billion.  
 On page 4, line 21, increase the amount by \$12.2 billion.  
 On page 4, line 22, increase the amount by \$11.8 billion.  
 On page 4, line 23, increase the amount by \$11.4 billion.  
 On page 4, line 24, increase the amount by \$11.1 billion.  
 On page 5, line 4, increase the amount by \$12.5 billion.  
 On page 5, line 5, increase the amount by \$12.8 billion.  
 On page 5, line 6, increase the amount by \$12.5 billion.  
 On page 5, line 7, increase the amount by \$12.2 billion.  
 On page 5, line 8, increase the amount by \$11.8 billion.  
 On page 5, line 9, increase the amount by \$11.4 billion.  
 On page 5, line 10, increase the amount by \$11.1 billion.  
 On page 5, line 17, increase the amount by \$12.5 billion.  
 On page 5, line 18, increase the amount by \$12.8 billion.  
 On page 5, line 19, increase the amount by \$12.5 billion.  
 On page 5, line 20, increase the amount by \$12.2 billion.  
 On page 5, line 21, increase the amount by \$11.8 billion.  
 On page 5, line 22, increase the amount by \$11.4 billion.  
 On page 5, line 23, increase the amount by \$11.1 billion.  
 On page 6, line 3, increase the amount by \$12.5 billion.  
 On page 6, line 4, increase the amount by \$12.8 billion.  
 On page 6, line 5, increase the amount by \$12.5 billion.  
 On page 6, line 6, increase the amount by \$12.2 billion.  
 On page 6, line 7, increase the amount by \$11.8 billion.  
 On page 6, line 8, increase the amount by \$11.4 billion.  
 On page 6, line 9, increase the amount by \$11.1 billion.  
 On page 6, line 16, increase the amount by \$12.5 billion.  
 On page 6, line 17, increase the amount by \$12.8 billion.  
 On page 6, line 18, increase the amount by \$12.5 billion.  
 On page 6, line 19, increase the amount by \$12.2 billion.  
 On page 6, line 20, increase the amount by \$11.8 billion.  
 On page 6, line 21, increase the amount by \$11.4 billion.  
 On page 6, line 22, increase the amount by \$11.1 billion.  
 On page 7, line 3, increase the amount by \$12.5 billion.  
 On page 7, line 4, increase the amount by \$12.8 billion.  
 On page 7, line 5, increase the amount by \$12.5 billion.  
 On page 7, line 6, increase the amount by \$12.2 billion.  
 On page 7, line 7, increase the amount by \$11.8 billion.  
 On page 7, line 8, increase the amount by \$11.4 billion.  
 On page 7, line 9, increase the amount by \$11.1 billion.  
 On page 22, line 8, increase the amount by \$0.08 billion.  
 On page 22, line 9, increase the amount by \$0.08 billion.  
 On page 22, line 16, increase the amount by \$0.08 billion.

On page 22, line 17, increase the amount by \$0.08 billion.  
 On page 22, line 24, increase the amount by \$0.08 billion.  
 On page 22, line 25, increase the amount by \$0.08 billion.  
 On page 23, line 7, increase the amount by \$0.08 billion.  
 On page 23, line 8, increase the amount by \$0.08 billion.  
 On page 23, line 15, increase the amount by \$0.08 billion.  
 On page 23, line 16, increase the amount by \$0.08 billion.  
 On page 23, line 23, increase the amount by \$0.08 billion.  
 On page 23, line 24, increase the amount by \$0.08 billion.  
 On page 24, line 7, increase the amount by \$0.08 billion.  
 On page 24, line 8, increase the amount by \$0.08 billion.  
 On page 33, line 19, increase the amount by \$1.13 billion.  
 On page 33, line 20, increase the amount by \$1.13 billion.  
 On page 34, line 2, increase the amount by \$1.13 billion.  
 On page 34, line 3, increase the amount by \$1.13 billion.  
 On page 34, line 9, increase the amount by \$1.13 billion.  
 On page 34, line 10, increase the amount by \$1.13 billion.  
 On page 34, line 16, increase the amount by \$1.13 billion.  
 On page 34, line 17, increase the amount by \$1.13 billion.  
 On page 34, line 23, increase the amount by \$1.13 billion.  
 On page 34, line 24, increase the amount by \$1.13 billion.  
 On page 35, line 5, increase the amount by \$1.13 billion.  
 On page 35, line 6, increase the amount by \$1.13 billion.  
 On page 35, line 12, increase the amount by \$1.13 billion.  
 On page 35, line 13, increase the amount by \$1.13 billion.  
 On page 35, line 20, increase the amount by \$1.13 billion.  
 On page 35, line 21, increase the amount by \$1.13 billion.  
 On page 36, line 2, increase the amount by \$11.6 billion.  
 On page 36, line 3, increase the amount by \$11.6 billion.  
 On page 36, line 9, increase the amount by \$11.3 billion.  
 On page 36, line 10, increase the amount by \$11.3 billion.  
 On page 36, line 16, increase the amount by \$11.0 billion.  
 On page 36, line 17, increase the amount by \$11.0 billion.  
 On page 36, line 23, increase the amount by \$10.6 billion.  
 On page 36, line 24, increase the amount by \$10.6 billion.  
 On page 37, line 5, increase the amount by \$10.2 billion.  
 On page 37, line 6, increase the amount by \$10.2 billion.  
 On page 37, line 12, increase the amount by \$9.9 billion.  
 On page 37, line 13, increase the amount by \$9.9 billion.  
 On page 65, line 17, increase the amount by \$1.2 billion.  
 On page 65, line 18, increase the amount by \$1.2 billion.  
 On page 65, line 24, increase the amount by \$1.2 billion.  
 On page 65, line 25, increase the amount by \$1.2 billion.  
 On page 66, line 6, increase the amount by \$1.2 billion.

On page 66, line 7, increase the amount by \$1.2 billion.  
 On page 66, line 13, increase the amount by \$1.2 billion.  
 On page 66, line 14, increase the amount by \$1.2 billion.  
 On page 66, line 20, increase the amount by \$1.2 billion.  
 On page 66, line 21, increase the amount by \$1.2 billion.  
 On page 67, line 2, increase the amount by \$1.2 billion.  
 On page 67, line 3, increase the amount by \$1.2 billion.  
 On page 67, line 9, increase the amount by \$1.2 billion.  
 On page 67, line 10, increase the amount by \$1.2 billion.

## AMENDMENT NO. 1193

Mr. BRADLEY. Mr. President, this amendment would eliminate 30 percent of the proposed Medicare cuts and the entire cut to the NIH budget. These cuts would be offset with revenues generated by increasing the tobacco tax.

Mr. President, my amendment presents a win-win-win situation. It will improve not one, not two, but three threats to our national health. First, it dampens the incredibly harsh blow which the proposed budget will deal to our Nation's oldest citizens. Second, it ensures that the NIH will be able to continue its current efforts to develop life-saving technologies. And finally, it will encourage our citizens—particularly our children and teenagers—to avoid the addiction, sickness, and death which result from tobacco use.

The first national health threat which my amendment seeks to improve involves the proposed Medicare cuts. We are all aware that the budget resolution would reduce spending for the Medicare program by \$256 billion over 7 years. This means that seniors will have to find an average of \$3,447 more dollars to pay for their health care over the next 7 years. In my home State of New Jersey, seniors will have to come up with an additional \$932 in the year 2002 alone just to pay for the additional Medicare costs which this budget imposes on them. For many seniors across the country, these new costs will be extremely difficult to bear. In 1992, the median income of seniors in this country was only about \$17,000 a year, and over 20 percent of this income already goes for health-related costs. For the millions of seniors across the country who live on fixed incomes, finding an additional \$3,447 over 7 years will mean having to give up something else which is important to them. It is estimated that there are already nearly 8 million seniors nationwide who are forced to choose each month between paying for their medications and paying for food. I can't help wondering how many millions more seniors will be faced with this horrible choice once the proposed cuts go into place.

Increased financial burdens on seniors is only one of the negative consequences which will result from the proposed Medicare cuts. Along with having to pay more, seniors will likely find that their ability to choose their

own doctor restricted—perhaps not explicitly, but because financial limitations leave them with no choice but to join a managed care plan. Also, doctors, hospitals, and other providers are all likely to face reduced payments. They already receive far lower payments from Medicare than from private insurers, and if Medicare rates are reduced much further some may find that they can no longer afford to take Medicare patients. Those which do keep taking Medicare will be forced to shift even more costs onto their privately insured patients, creating a hidden tax on employers and individuals.

Mr. President, the proposed Medicare cuts are bad news for seniors; they are bad news for health care providers; and they are bad news for employers and individuals nationwide. My amendment will make this bad news a little better. It does this by offsetting 30 percent of the proposed Medicare cuts with revenues generated by increasing the Federal tax on tobacco products. This means that \$76 billion will be restored to the Medicare Program. It reduces the amount of additional money which each senior must find from \$3,447 to \$2,413 over 7 years. I understand that \$2,413 is still an enormous amount of money for anyone on a fixed income to part with. But \$2,413 is at least better than \$3,447.

Mr. President, Medicare cuts are just one of the national health threats which my amendment seeks to improve. The second threat is the proposal, contained in this resolution, to cut the budget of the National Institutes of Health by 10 percent next year and then freeze it through the year 2002.

Mr. President, cutting the NIH budget is shortsighted policy at its worst. NIH-funded research impacts the lives of millions of Americans every day. Technologies and drugs developed with NIH funds not only improve Americans' quality of life; they also save lives. Without the basic research which is funded by the NIH, in a few years the private sector will have limited fundamental research upon which to base its own efforts. The result will be a dramatic slowdown in the development of life-improving and life-saving technologies. I have no way of knowing which of us in this room, or which of our loved ones, could benefit in the future from technologies which NIH is developing today. But I do know that we owe it to all present and future Americans to ensure that their access to these technologies is not limited due to shortsighted budget cutting.

For those who are not convinced that NIH's role in improving and saving lives warrants restoring its budget, let me make one final point: Much of NIH research reduces health care spending. For example, the NIH recently estimated that approximately \$4.3 billion invested in NIH research had the potential to realize annual savings of between \$9.3 and \$13.6 billion. This translates into a 200- to 300-percent annual

return. I challenge my colleagues to find any type of Federal spending which provides an annual return of at least 200 percent. Given that payoff, we can't afford to not invest in the NIH.

My amendment recognizes these immense benefits generated by NIH, and seeks to ensure that this research can continue at its present level into the future. To do this, the amendment restores the entire \$7.9 million which the Republican resolution cuts from the NIH budget.

Finally, Mr. President, this amendment addresses the national health threat created by tobacco use. It seeks to encourage our citizens—particularly our children and teenagers—to avoid the addiction, sickness, and death which results from using tobacco.

Mr. President, I have been on this floor many times talking about the dangers of tobacco use. I have repeatedly stated that tobacco use kills well over 400,000 Americans every year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined. Furthermore, secondhand tobacco smoke will cause tens of thousands of additional deaths. This year, one out of every five Americans who dies will die from tobacco use.

But of all the sad stories which can be told about the impact of tobacco use in this country, perhaps the saddest is the alarming rate at which children and teenagers are being hooked on tobacco products. Over 90 percent of new users of tobacco in this country are teenagers or younger. The tobacco companies know children and teenagers are easy targets, so they specifically aim their advertising at them. And their efforts are succeeding. Every 30 seconds, a child or teenager in the United States smokes for the first time.

In addition to the enormous human costs of tobacco use—the addition, suffering, and death which could have been avoided—tobacco contributes substantially to health care costs every year. According to the Centers for Disease Control and Prevention, health care expenditures caused directly by smoking totaled \$50 billion in 1993, and \$22 billion of those costs were paid by Government funds.

My amendment seeks to reduce both the human and the economic costs created by tobacco use. It does this by increasing the Federal excise tax on most tobacco products by a factor of five, which translates to an increase of \$1 per pack of cigarettes. In addition, my amendment would tax smokeless tobacco products at the same price as cigarettes, in order to eliminate cost incentives for people to switch from cigarettes to smokeless. By raising the Federal excise tax on tobacco, we can discourage people—especially children—from starting the tobacco habit, and we can encourage others to quit. Conservative estimates predict that a 10-percent increase in the price of cigarettes will reduce overall smoking by

about 4 percent. And for kids, who are more price sensitive than adults, the impact is even greater.

The benefits of such decreased demand cannot be overstated. First, and most importantly, thousands of lives will be saved and the unnecessary suffering will be avoided. In addition, both public and private health insurers will save billions of dollars each year, due to reduced costs for treating tobacco-related diseases. Finally, the increased tax will yield \$84 billion in Federal revenues over 7 years. Over half a billion of this amount will be used to help tobacco farmers convert to other crops. The rest of the money will go to help decrease the national health threats posed by the drastic Medicare cuts and by the reduction in the NIH budget. These revenues will enable the entire cut to the NIH budget to be offset, and the proposed Medicare cuts to be decreased by 30 percent.

Some persons may question whether it is appropriate to ask smokers to absorb part of the blow which the proposed budget designates for seniors and providers. My response to that question is an unequivocal "yes." According to a former Secretary of the Department of Health, Education, and Welfare, tobacco use is the largest single drain on the Medicare trust fund. This is the trust fund which is predicted to go insolvent in 2002. It strikes me as quite appropriate to ask persons who choose to use tobacco to help offset some of the costs of their choice. And it strikes me as quite inappropriate to ask other persons—such as nonsmoking seniors and providers—to accept reductions at the same time that they are forced to help pay for the costs of other people's unhealthy choices.

By discouraging tobacco use, decreasing Medicare cuts, and restoring the NIH budget to its current level, my amendment presents a win-win-win situation. Our children and teenagers win, because they will be discouraged from starting down the road of addiction, sickness, and death caused by tobacco use. Health insurers and employees win, because health costs for tobacco-related diseases will be reduced. Health care providers and employers win, because this amendment will reduce payment cuts and cost-shifting. Seniors win, because the amendment will reduce the financial strains and the concerns about quality and access which will result from steep Medicare cuts. And we all win, as the NIH will be able to continue its current efforts to develop lifesaving technologies. For the sake of all these affected Americans, I urge my colleagues to support this amendment.

Mr. EXON. This Bradley amendment is to offset NIH and Medicare cuts with tobacco tax revenues.

The Bradley amendment raises tobacco tax \$1 per pack of cigarettes. It also taxes smokeless tobacco products at a similar rate.

The revenues from the increased tax are used to restore \$76 billion in Medicare cuts, restore the entire cut in the National Institutes of Health budget, \$7.9 billion, without the Hatfield discretionary reduction, and assist tobacco farmers in converting to other crops \$500 million.

Mr. FORD. Mr. President, is it in order to announce that the Senator is going to table this now, make a motion to table now, or wait until the vote comes?

Mr. DOMENICI. Wait until the vote comes.

Mr. FORD. I thank the Senator.

Mr. DOMENICI. Mr. President, I just remind the Senate that even though this sense-of-the-Senate resolution talks about all these good things, essentially you raise a tax and then it is up to the Senate and the Congress to decide what they would do with it. Senator FORD will move to table that.

AMENDMENT NO. 1194

Mr. EXON. Mr. President, I send to the desk on behalf of Senator BRADLEY the third Bradley amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1194.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX RATES AND TAX LOOPHOLES.

(a) FINDINGS.—The Senate finds that—  
(1) lower tax rates lead to increased economic activity and increased economic opportunity;

(2) lower tax rates lead to a more efficient economy, with less tax avoidance and investment patterns that rely on competitive market returns and not advantages produced by tax law;

(3) the tax code still retains billions of dollars worth of special tax breaks which are available to only limited groups of taxpayers and investors;

(4) federal policy should encourage the development of fully competitive markets and not create unique advantages for individual investors, companies or industries.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress should, to the maximum extent practicable, remove tax loopholes;

(2) the Congress should use the savings from the closing of special interest tax loopholes to reduce tax rates broadly for all classes of taxpayers.

Mr. EXON. Mr. President, this amendment is a sense of the Senate that Congress should remove tax loopholes and use savings to reduce the rates for individual taxpayers.

Mr. DOMENICI. From what we gather, in order to reduce tax rates 1 percent, you would have to raise \$100 billion from things like the home mortgage deduction and the like. I will move to table that also.

Mr. EXON. Mr. President, I ask for the yeas and nays on the three amendments that we have just discussed.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on all three?

Mr. BYRD. I ask that it be in order to order the yeas and nays.

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

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I make the point of order this amendment is not germane under the Budget Act and it should fall.

Mr. EXON. Mr. President, I move to waive the Budget Act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 44, nays 56, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—44

|          |            |               |
|----------|------------|---------------|
| Akaka    | Feinstein  | Mikulski      |
| Biden    | Ford       | Moseley-Braun |
| Bingaman | Glenn      | Moynihan      |
| Boxer    | Graham     | Murray        |
| Bradley  | Harkin     | Nunn          |
| Breaux   | Inouye     | Pell          |
| Bryan    | Jeffords   | Pryor         |
| Bumpers  | Johnston   | Reid          |
| Byrd     | Kennedy    | Robb          |
| Conrad   | Kerry      | Rockefeller   |
| Daschle  | Kohl       | Sarbanes      |
| Dodd     | Lautenberg | Simon         |
| Dorgan   | Leahy      | Stevens       |
| Exon     | Levin      | Wellstone     |
| Feingold | Lieberman  |               |

NAYS—56

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Frist      | Mack      |
| Ashcroft  | Gorton     | McCain    |
| Baucus    | Gramm      | McConnell |
| Bennett   | Grams      | Murkowski |
| Bond      | Grassley   | Nickles   |
| Brown     | Gregg      | Packwood  |
| Burns     | Hatch      | Pressler  |
| Campbell  | Hatfield   | Roth      |
| Chafee    | Heflin     | Santorum  |
| Coats     | Helms      | Shelby    |
| Cochran   | Hollings   | Simpson   |
| Cohen     | Hutchison  | Smith     |
| Coverdell | Inhofe     | Snowe     |
| Craig     | Kassebaum  | Specter   |
| D'Amato   | Kempthorne | Thomas    |
| DeWine    | Kerrey     | Thompson  |
| Dole      | Kyl        | Thurmond  |
| Domenici  | Lott       | Warner    |
| Faircloth | Lugar      |           |

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 56. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected. The amendment is not restrictive. The point of order is sustained.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1193

Mr. FORD. Mr. President, this is a tax increase of some 1,100 percent. On that basis, and on behalf of myself, Senators ROBB, HOLLINGS, NUNN, THURMOND, HELMS, MCCONNELL, FAIRCLOTH, COVERDELLE, THOMPSON, WARNER, and FRIST, I move to table this amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1193, offered by the Senator from New Jersey [Mr. BRADLEY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 62, nays 38, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—62

|           |            |             |
|-----------|------------|-------------|
| Abraham   | Dorgan     | Lott        |
| Akaka     | Exon       | Mack        |
| Ashcroft  | Faircloth  | McCain      |
| Baucus    | Ford       | McConnell   |
| Bond      | Frist      | Murkowski   |
| Breaux    | Gorton     | Nickles     |
| Brown     | Gramm      | Nunn        |
| Burns     | Grams      | Packwood    |
| Byrd      | Grassley   | Pressler    |
| Campbell  | Gregg      | Robb        |
| Coats     | Heflin     | Rockefeller |
| Cochran   | Helms      | Roth        |
| Conrad    | Hollings   | Santorum    |
| Coverdell | Hutchison  | Shelby      |
| Craig     | Inhofe     | Smith       |
| D'Amato   | Inouye     | Stevens     |
| Daschle   | Johnston   | Thomas      |
| DeWine    | Kassebaum  | Thompson    |
| Dodd      | Kempthorne | Thurmond    |
| Dole      | Kerrey     | Warner      |
| Domenici  | Kyl        |             |

NAYS—38

|           |            |               |
|-----------|------------|---------------|
| Bennett   | Harkin     | Moseley-Braun |
| Biden     | Hatch      | Moynihan      |
| Bingaman  | Hatfield   | Murray        |
| Boxer     | Jeffords   | Pell          |
| Bradley   | Kennedy    | Pryor         |
| Bryan     | Kerry      | Reid          |
| Bumpers   | Kohl       | Sarbanes      |
| Chafee    | Lautenberg | Simon         |
| Cohen     | Leahy      | Simpson       |
| Feingold  | Levin      | Snowe         |
| Feinstein | Lieberman  | Specter       |
| Glenn     | Lugar      | Wellstone     |
| Graham    | Mikulski   |               |

So the motion to lay on the table the amendment (No. 1193) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. THOMPSON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1194

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced— yeas 53, nays 47, as follows:

[Rollcall Vote No. 224 Leg.]

## YEAS—53

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Frist      | McConnell |
| Ashcroft  | Gorton     | Mikulski  |
| Baucus    | Graham     | Murkowski |
| Bennett   | Gramm      | Packwood  |
| Bond      | Grams      | Pressler  |
| Brown     | Gregg      | Pryor     |
| Bryan     | Hatch      | Roth      |
| Burns     | Hatfield   | Santorum  |
| Campbell  | Heflin     | Sarbanes  |
| Chafee    | Helms      | Shelby    |
| Coats     | Hollings   | Simpson   |
| Cochran   | Inhofe     | Smith     |
| Coverdell | Jeffords   | Stevens   |
| Craig     | Kempthorne | Thomas    |
| D'Amato   | Kyl        | Thompson  |
| Dodd      | Lott       | Thurmond  |
| Domenici  | Lugar      | Warner    |
| Faircloth | Mack       |           |

## NAYS—47

|          |            |               |
|----------|------------|---------------|
| Akaka    | Feinstein  | Lieberman     |
| Biden    | Ford       | McCain        |
| Bingaman | Glenn      | Moseley-Braun |
| Boxer    | Grassley   | Moynihan      |
| Bradley  | Harkin     | Murray        |
| Breaux   | Hutchison  | Nickles       |
| Bumpers  | Inouye     | Nunn          |
| Byrd     | Johnston   | Pell          |
| Cohen    | Kassebaum  | Reid          |
| Conrad   | Kennedy    | Robb          |
| Daschle  | Kerrey     | Rockefeller   |
| DeWine   | Kerry      | Simon         |
| Dole     | Kohl       | Snowe         |
| Dorgan   | Lautenberg | Specter       |
| Exon     | Leahy      | Wellstone     |
| Feingold | Levin      |               |

So the motion to lay on the table the amendment (No. 1194) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I believe we have reached consensus to take the next three up. I will leave it to the explanation of the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to put three measures up now in the same manner we have done. Then, I would inform the Senate, we have only four amendments left after that. So we are getting there.

The measures will be Senator DORGAN on the motion to recommit; Senator WELLSTONE on veterans and tax loopholes; and Senator WELLSTONE on defense.

If my colleague will explain them, we will stack the votes by unanimous consent.

Mr. EXON. For the information of all Senators, the Senator summed it up very well.

Mr. BYRD. Mr. President, may we have order? There is not order in the Senate yet, and we are about to hear a very important explanation as to what these next three votes are all about.

The PRESIDING OFFICER. The Senator will come to order.

Mr. EXON. Mr. President, the chairman of the Budget Committee has outlined this. Just let me summarize so all understand where we are. We are moving very well. At the outside, we have six or seven amendments left. At the inside, I think it might be as low as five that will require that many more votes, of course.

Following the pattern that has just been set, after this pattern of three, then we would try to bundle the last three in the same fashion. So I certainly ask unanimous consent it now be in order to offer those three, as agreed to by the chairman of the Budget Committee. I will proceed at this time to offer those three with brief explanations.

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

## MOTION TO RECOMMIT

Mr. EXON. Mr. President, I send a motion to the desk on behalf of the Senator from North Dakota, Mr. DORGAN. It is a motion to recommit.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota, Mr. DORGAN, moves to recommit Senate Concurrent Resolution 13 to the Committee on the Budget with instructions.

Mr. EXON. Mr. President, I ask unanimous consent that reading be dispensed with.

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

The motion is as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit Senate Concurrent Resolution 13 to the Committee on the Budget with instructions to report to the Senate, within 3 days (not to include any day the Senate is not in session), a revised concurrent resolution on the budget for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001 and 2002 that provides (in compliance with Section 13301(a)(2) of the Budget Enforcement Act of 1990) for a budget surplus in fiscal year 2002 without counting the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Mr. DORGAN. Mr. President, I rise to move that the Senate send the budget resolution back to the Budget Committee. I do this because I would like to see the Committee report a new budget that is truly and honestly balanced in 2002.

As my colleagues know, although the resolution before the Senate is described as a balanced budget resolution, it actually is not balanced. On page 7 of the resolution, it says that the actual deficit will be \$114 billion dollars in the year 2002.

Why is there this confusion? Because those who claim this budget is balanced are using the surplus in the Social Security System to mask the size of the budget deficit.

That is bad policy. It is bad accounting. And it goes against budget law.

Camouflaging the budget deficit in this way is bad policy because we intended that Social Security surplus to be used for another important purpose. In 1983, with the Social Security changes we made that year, Congress decided to build up the Social Security trust fund so that we could meet the retirement claims of the baby boom generation in the 2010's and 2020's. We were trying to force the Nation to save for that time. To use the surplus for other purposes contradicts the intent

of the 1983 law—a law that enjoyed bipartisan support.

It is also bad policy because it breaks faith with the American people. We have assured America's workers that the payroll tax that they pay is going into a trust fund and will be used for trust fund purposes only. Well, we break that promise if we count the Social Security surplus as reducing the deficit.

If using the Social Security trust fund surplus is bad policy, it is even worse accounting. If you take over a trillion dollars in the next decade, put it in the Social Security trust fund, and also count that as deficit reduction, you are making one dollar do two things. Double-entry accounting does not mean using the same dollar twice. In my view, that kind of bookkeeping is better described as book cooking.

Last, the use of the Social Security surplus to mask the size of the budget deficit goes against the law. Section 13301 of the Budget Enforcement Act of 1990, which is similar to provisions that I had offered in the House, forbids the Congress from including the Social Security surplus in the budget resolution.

However, the report accompanying this budget says, on page 6, that the budget will be in surplus in 2002. The only way this budget balances in that year is by using the Social Security trust fund surplus. The law says you cannot do that.

Now, Mr. President, my colleagues on the Republican side of the aisle will say that my motion requires them to find additional further deficit cuts in order to balance the budget. They are right. It does.

My Republican colleagues will ask where my deficit reduction plan is. Well, I will remind my colleagues that I submitted over \$800 billion in deficit reduction recommendations to the Budget Committee. If you put the Domenici budget and the options that I recommended together, and we do not set up a slush fund for tax cuts, then you can balance the budget in 2002 without using the Social Security trust fund surplus.

I do not like the Domenici budget because I think its priorities are wrong. That is why I have supported a Democratic alternative that achieved greater deficit reduction than the Republican plan. And it did so without making deep cuts in Medicare and student loans or by doling out billions in tax cuts to the wealthiest in this country. However, the Senate defeated that amendment, so the pending budget resolution is the Domenici plan.

Let me repeat my point. I hope I will not hear anyone say that I have not offered a plan to do this. If you put my recommendations together with the Domenici recommendations, you are able to meet my motion's requirements.

So in closing, I would hope that my colleagues would support honest budgeting. I hope they will stand up for making good policy, for using accurate

accounting principles and for following the law.

I hope my colleagues will support my motion, and I yield the floor.

Mr. EXON. Mr. President, I wish to add Senator HOLLINGS as a cosponsor of this amendment—this Dorgan-Hollings motion—which is to recommit, and this motion would recommit the budget resolution to the Budget Committee with instructions to report back a budget that is balanced in the fiscal year 2002 according to section 301 of the Budget Enforcement Act of 1990.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is added as a cosponsor.

Mr. DOMENICI. Mr. President, as a matter of inquiry, why did the clerk read that amendment? We have not been reading the amendments.

The PRESIDING OFFICER. It was a motion to recommit.

Mr. DOMENICI. Mr. President, and fellow Senators, this is a motion to recommit. This budget resolution before us complies with the law. The resolution is presented to Congress just as every other budget resolution has been presented, and just as the President presents budgets to us. I see no reason to recommit.

AMENDMENT NO. 1195

(Purpose: To restore \$74 million in FY 1996 spending for veterans programs by reducing spending for tax expenditures.)

Mr. EXON. Mr. President, I send an amendment to the desk in behalf of Senator WELLSTONE, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1195.

The amendment is as follows:

On page 64, line 24, decrease the amount by \$74,000,000.

On page 63, line 7, strike the period and insert the following: “. The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues by \$74,000,000 in fiscal year 1996.”

At the end of title III, insert the following:  
**SEC. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.**

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

**SEC. . SENSE OF THE SENATE REGARDING THE DELIVERY OF VETERANS' SERVICES.**

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution relating to Veterans' Programs include the assumption that the delivery of veterans' services will continue to be improved, including further progress in the timely delivery of such services.

Mr. WELLSTONE. Mr. President, the amendment I am proposing is simple and straightforward, but vital to Minnesota veterans and veterans around the country. It calls for using \$74 million in fiscal year 1996 funds earmarked for tax expenditures—in plain English,

tax breaks, loopholes, and even giveaways to oil and tobacco companies, and other corporate behemoths—to restore projected cuts in VA spending that would have damaging, if not devastating effects, on timely delivery of important services to veterans.

According to the VA, if these cuts should occur there would be a sharp rise in claims backlogs and delays in resolving veterans' claims for benefits, increases in already excessive time lags in providing disabled veterans with vocational rehabilitation and employment services, and an inability to provide veterans with timely education benefits earned under the GI bill. For this to happen to those who have served our Nation bravely and without question while corporate welfare remains untouched would be unconscionable and clearly unacceptable to the American people.

Mr. President, while I deplore the damage that would be done to service for our veterans in each of these areas, I would like to focus particularly on the potential negative impact on the timely processing of veterans claims.

In the countless meetings I have had with Minnesota veterans over the last 4 years the issue of unacceptably long delays in VA claims processing has consistently been at or near the top of their list of priority concerns. As a consequence, it has been and continues to be a major concern of mine. In 1993, I introduced a bill to improve and streamline VA's system of processing and adjudicating claims which was particularly aimed at reducing delays which had then reached crisis proportions.

Fortunately, as a result of the leadership of Secretary of Veterans Affairs, Jessie Brown, the VA has made progress recently in reducing backlogs in processing veterans claims for compensation. At the end of 1993 the VA had an overall backlog of 575,000 claims which is expected to be reduced by the end of this year to 400,000 claims—a decline of over 30 percent. Similarly the average time for a VA regional office to process an original claim dropped from 212 days in May 1994 to 166 days in March 1995, a decline of about 22 percent in just 10 months. And I'm pleased to note that the St. Paul, MN VA Regional Office has made significant gains over the past 18 months, reducing claims backlogs from approximately 7,500 to 5,000 and average claims processing times from 214 days to 122 days.

I would like to see the St. Paul VA Regional Office and others like it around the country given the support they need from Congress to continue to improve timeliness—to improve services for veterans. I hope to see the St. Paul office process claims in under 100 days on average. That's a worthy goal. What I don't want to see is Congress cutting funding for claims processing at a time when it is needed most to continue improving services and when it can only nullify the gains the VA has made in this area.

Unfortunately, the progress the VA has made in addressing this difficult and complex problem is being seriously imperiled by the estimated \$74 million cut in funding for the operating budget of the VA's Veterans Benefit Administration in fiscal year 1996. In fact, it would reverse the recent progress that has been made in this area, with the VA estimating that if the cut is implemented the claims backlog would revert to over 500,000 cases and average claims processing times would soar to over 1 year.

Mr. President, there is much more to this issue than the cold statistics I've cited. There are sometimes enormous human costs too—cost that I can only describe as heart rending. About 18 months ago we distributed a questionnaire to Minnesotans to elicit their views about the backlogs in the veterans claims and adjudication process. I found and still find many of the comments received with the questionnaire to be terribly disturbing and I want to share a few of these with you. One veteran, for example, stressed that the issue of backlogs was a crucial one “because it sometimes leads to the death of a veteran by suicide over frustration and injustices suffered.” In other words, this veteran believes that some veterans are committing suicide because they are so frustrated by waiting long periods of time for their claim to be resolved. In a similar vein, a county veterans service officer lamented that some “veterans \* \* \* die before their claims have been adjudicated,” and a VA psychologist reported that “veterans are losing their homes, selling personal belongings, and committing suicide while waiting \* \* \* for their claims to be adjudicated.” This is what I was told a year and a half ago by people who work every day with the VA adjudication system. Since then, as I have said, timeliness has improved at local VA regional offices. So, the last thing we should do is cause the backlogs to increase and reverse the trend of progress, re-creating the crisis from which we are just emerging.

In addition to the personal trauma, excessive delays in processing veterans claims represent a breach of faith with our veterans who while serving in our Armed Forces are led to believe they will receive fair and timely compensation if they incur a service-connected disability. Should this cut be implemented, we would be moving in precisely the wrong direction in terms of improving timeliness. We all know that justice deferred is justice denied. Let us not do anything to make the adjudication system any slower or to add to the claims backlog.

Mr. President, permit me to quote from an eloquent letter recently sent by the National Commander of the American Legion to Chairman DOMENICI, copies of which all of my colleagues should have received:

Mr. Chairman, reducing General Operating Expenses (GOE) within the Veterans Benefits Administration will seriously handicap VA's

ability to reduce the extraordinary backlog in veterans claims and appeals cases. VA has made some improvements in this area over the past year. To reduce GOE funding will setback all of the progress VA had made and further delay benefit decisions for veterans and their dependents. A significant part of the problem that has existed in the processing of claims was caused by budget-related staff reductions.

I could not agree more. If the budget cuts are implemented we will be taking a giant step backward, canceling the progress that has been made and returning to a situation wholly unacceptable to our veterans, their families, and to all Americans.

I urge my colleagues to support this amendment, thereby keeping faith with the men and women who have served this country faithfully and ensuring that welfare for corporations doesn't come at the expense of the welfare of our veterans.

Mr. EXON. Mr. President, this amendment would restore projected cuts of \$74 million in the Department of Veterans Affairs funding for the fiscal year 1996 that would have damaging effects on the timely delivery of important service to veterans, including processing of veterans' compensation claims, providing disabled veterans with vocational rehabilitation and employment services, and further education benefits earned under the GI bill. It would urge the Finance Committee to cut excessive and unnecessary tax expenditures of \$74 million for fiscal year 1996.

Mr. DOMENICI. I have no explanation.

AMENDMENT NO. 1138

(Purpose: To reduce FY 1996 defense spending by \$10 billion and apply the savings to deficit reduction)

Mr. EXON. Mr. President, I can sum up very briefly the amendment number 1138 which is at the desk. This amendment would reduce defense spending by \$10 billion in fiscal 1996 budget authority and \$5 billion in outlays.

It expresses the sense of the Senate that such reductions should come from low-priority defense programs, and should, to the maximum extent possible, preserve funding for programs and activities which directly affect force readiness, or the quality of life of service members and their families. The savings would be used solely to reduce the deficit.

Mr. DOMENICI. Mr. President, the Wellstone amendment cuts \$10 billion from defense. I think that is enough said.

Mr. EXON. I ask unanimously that the motion and the two amendments have rollcall votes. I ask that that be in order.

The PRESIDING OFFICER. Will the Senator send up the second amendment?

Mr. EXON. I call up the motion and the two amendments for a vote.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1138.

The amendment is as follows:

On page 5, line 17, decrease the amount by \$10,000,000,000.

On page 6, line 16, decrease the amount by \$5,000,000,000.

On page 7, line 15, decrease the amount by \$5,000,000,000.

On page 11, line 7, decrease the amount by \$10,000,000,000.

On page 11, line 8, decrease the amount by \$5,000,000,000.

On page 65, line 14, decrease the amount by \$10,000,000,000.

On page 65, line 15, decrease the amount by \$5,000,000,000.

At the end of title III, insert the following:  
**SEC. . SENSE OF THE SENATE REGARDING DEFENSE SPENDING.**

It is the sense of the Senate that in reducing defense spending by the amount provided for in this amendment, Congress shall focus on low-priority programs, and to the maximum extent possible should preserve funding for any programs and activities that directly affect force readiness or the quality of life for service members and their families.

Mr. WELLSTONE. Mr. President, today I am offering an amendment as part of a series designed to highlight clearly my budget priorities, as opposed to those provided for in the pending budget resolution. While I believe our Nation must be kept free and secure, and I do not overlook the many risks we face, I am deeply troubled that of all the huge spending cuts in this budget, none come from the military budget. That must change. Defense, like everything else, must bear its share of the deficit reduction burden. This amendment is designed to begin to address that problem, at least for the coming year.

Even with the ethnic and nationalist conflicts that have spawned terrible human tragedies in Bosnia, Somalia, the Middle East, the former Soviet Union, Haiti, and elsewhere, requiring increased peacekeeping and other forms of assistance from the United States, we can and should scale back our post-cold-war defense spending substantially. Likewise, continued concerns about the proliferation of chemical, biological, and nuclear weapons are real. But they require us to think in new and imaginative ways about the possibilities of using smart diplomacy rather than smart bombs, of placing a greater emphasis on multilateral efforts to keep the peace, of relying more on a strengthened United Nations, and other multilateral bodies like NATO, to maintain a safe, secure, and prosperous world.

Instead of this approach, what we have been too often from defense policymakers is bureaucratic inertia, a residual unilateralism, and a clinging to the cold war status quo. Despite huge cuts elsewhere in the budget, there are no cuts provided for in military spending. Defense spending continues to grow, even in the face of our new post-cold-war reality.

This budget provides for no cuts from huge and expensive weapons systems that are now obsolete. None from post-cold-war intelligence spending that should be curtailed. None from in-

creased contributions from our allies, or burdensharing. None from the billions in wasteful spending that the Pentagon can't even account for, as widely reported recently by the Federal Government's own watchdogs, and in the press. In recent years, they've spent so much money over at the Department of Defense, with such sloppy bookkeeping, that they can no longer even keep track of it all. The other day a major Pentagon procurement and contracting official declared that he was giving up on even trying to account for it all. That speaks volumes about how much wasteful and unnecessary defense spending could still be wrung from this system. These reports reveal clearly that the Pentagon is still one of the largest sources of wasteful and unnecessary spending in the Federal Government.

The U.S. military needs well-trained and well-equipped forces tailored to the threats and risks of today. Excessively large forces that were based on war-fighting strategies of another era, or on implausible assumptions that the United States could be required to fight two regional wars of about the same size as the Persian Gulf, simultaneously, with no help from our allies, cannot be responsibly maintained at high levels of military readiness. The Pentagon's current budget projections, including elements of the much-touted Bottom-Up Review, too often fail to question these kinds of basic assumptions. And the result is wasteful and unnecessary weapons or delivery systems like the B-2 bomber, star wars, the C-17, the *Seawolf* submarine, the Trident missile, the Milstar satellite system, and a host of other low-priority post-cold-war programs, many of which are now obsolete. Under current budget constraints, we simply can no longer afford these, if ever we could. Scaling them back would save billions in the coming years. But we must have the courage to make these tough decisions now.

Mr. President, my amendment would require a modest cut of \$10 billion from the military budget in 1996. That's only \$10 billion out of a projected defense budget of over \$260 billion. While many other Federal programs are being slashed by 30, 40, even 50 percent, or more, the defense budget cannot remain immune to budget pressures. The amendment would apply all of the savings from these account to deficit reduction. It is designed to: First, ensure that the modest cuts it provides for will be made in low-priority programs; second, protect the readiness of our forces, and third, preserve the living standards of servicemen and their families. Adopting this amendment would be a small but important step toward a more responsible Federal budget in which all sectors of society bear their fair share of deficit reduction. I urge my colleagues to support it. I yield the floor.

Mr. EXON. Mr. President, those are the three amendments that we have agreed to package in a form similar to that which we have had previously today.

I ask for the yeas and nays.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to have the yeas and nays on the motion to recommit and the amendments.

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

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO RECOMMIT

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—40

Table with 3 columns of names: Akaka, Baucus, Bingaman, Boxer, Breaux, Bryan, Bumpers, Byrd, Conrad, Daschle, Dodd, Dorgan, Feingold, Feinstein, Ford, Glenn, Graham, Harkin, Heflin, Hollings, Inouye, Johnston, Kennedy, Kerrey, Lautenberg, Leahy, Lieberman, Mikulski, Moynihan, Murray, Nunn, Pell, Pryor, Reid, Robb, Rockefeller, Sarbanes, Simon, Wellstone.

NAYS—60

Table with 3 columns of names: Abraham, Ashcroft, Bennett, Biden, Bond, Bradley, Brown, Burns, Campbell, Chafee, Coats, Cochran, Cohen, Coverdell, Craig, D'Amato, DeWine, Dole, Domenici, Exon, Faircloth, Frist, Gorton, Gramm, Grassley, Gregg, Hatch, Hatfield, Helms, Hutchison, Inhofe, Jeffords, Kassebaum, Kempthorne, Kerry, Kohl, Dole, Domenici, Exon, Mack, McCain, McConnell, Moseley-Braun, Murkowski, Nickles, Packwood, Pressler, Santorum, Shelby, Simpson, Smith, Snowe, Specter, Stevens, Thomas, Thompson, Thurmond, Warner.

So the motion was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

CHANGE OF VOTE

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that my vote on the Grams amendment No. 1182 be changed from "yea" to "nay." This change will not affect the outcome of the vote.

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

Mr. MOYNIHAN. I thank the Chair.

(The foregoing tally has been changed to reflect the above order.)

VOTE ON AMENDMENT NO. 1195

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1195. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—45

Table with 3 columns of names: Akaka, Biden, Bingaman, Boxer, Bradley, Breaux, Bryan, Bumpers, Byrd, Campbell, Cohen, Conrad, Daschle, Dodd, Dorgan, Exon, Feingold, Feinstein, Ford, Graham, Harkin, Heflin, Hollings, Inouye, Johnston, Kennedy, Kerrey, Kerry, Kohl, Lautenberg, Leahy, Levin, Lieberman, Mikulski, Moseley-Braun, Moynihan, Murray, Nunn, Pryor, Reid, Robb, Rockefeller, Sarbanes, Simon, Wellstone.

NAYS—55

Table with 3 columns of names: Abraham, Ashcroft, Baucus, Bennett, Bond, Brown, Burns, Chafee, Coats, Cochran, Coverdell, Craig, D'Amato, DeWine, Dole, Domenici, Faircloth, Frist, Glenn, Gorton, Gramm, Grams, Grassley, Gregg, Hatch, Hatfield, Helms, Hutchison, Inhofe, Jeffords, Kassebaum, Kempthorne, Kyl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Packwood, Pell, Pressler, Roth, Santorum, Shelby, Simpson, Smith, Snowe, Specter, Stevens, Thomas, Thompson, Thurmond, Warner.

So the amendment (No. 1195) was rejected.

VOTE ON AMENDMENT NO. 1138

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1138, the amendment offered by the Senator from Minnesota [Mr. WELLSTONE]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 12, nays 87, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—12

Table with 3 columns of names: Boxer, Daschle, Feingold, Grassley, Harkin, Kennedy, Moseley-Braun, Moynihan, Murray, Pell, Simon, Wellstone.

NAYS—87

Table with 3 columns of names: Abraham, Akaka, Ashcroft, Baucus, Bennett, Biden, Bingaman, Bond, Bradley, Breaux, Brown, Bryan, Bumpers, Burns, Byrd, Campbell, Chafee, Coats, Cochran, Cohen, Conrad, Coverdell, Craig, D'Amato, DeWine, Dodd, Dole, Domenici, Dorgan, Exon, Faircloth, Feinstein, Ford.

Table with 3 columns of names: Frist, Glenn, Gorton, Graham, Grams, Gregg, Hatch, Hatfield, Heflin, Helms, Hollings, Hutchison, Inhofe, Inouye, Jeffords, Johnston, Kassebaum, Kempthorne, Kerrey, Kerry, Kohl, Kyl, Lautenberg, Leahy, Levin, Lieberman, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pressler, Pryor, Reid, Robb, Rockefeller, Roth, Santorum, Sarbanes, Shelby, Simpson, Smith, Snowe, Specter, Stevens, Thomas, Thompson, Thurmond, Warner.

NOT VOTING—1

Mikulski

So the amendment (No. 1138) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. GRAMM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I am sorry to tell the Senate that we were down to three votes and now we are back up to four. As near as we can tell, we have four remaining votes. We have agreed to yield back a portion of the time that we previously agreed to for closing arguments after the votes are over and before final passage.

I suggest, and I think my colleague, the chairman of the committee and I have agreed that we will package the four remaining votes. If I understand it, there is one by Senator SNOWE, two by Senator WELLSTONE, and one for Senator BRADLEY. And we can do these in an expeditious matter and put the four together. If that is agreeable to the chairman of the committee it is agreeable on this side.

Mr. DOMENICI. So we understand, there are no amendments beyond these.

Mr. EXON. No amendments beyond these.

Mr. DOMENICI. Mr. President, could we agree we have no second-degree amendment to your amendment?

Mr. EXON. It may be a good idea to phrase it as a unanimous-consent, that there will be no more than the four amendments that have just been identified, and there would be no second-degree amendments.

Mr. DOMENICI. Mr. President, I think it was stated beautifully.

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

AMENDMENT NO. 1136

(Purpose: To direct the Committee on Finance to further reduce the deficit by limiting or eliminating excessive and unnecessary tax expenditures)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1136.

The amendment is as follows:

On page 63, line 7, strike the period and insert the following: “. The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues \$10,000,000,000 in fiscal year 1996, \$50,000,000,000 for the period of fiscal years 1996 through 2000, and \$70,000,000,000 for the period of fiscal years 1996 through 2002.”.

At the end of title III, insert the following:  
**SEC. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.**

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

Mr. WELLSTONE. Mr. President, today I am offering an amendment which would direct the Finance Committee to close \$70 billion of narrowly focused tax breaks and loopholes over the next 7 years, and apply the savings solely to deficit reduction. This \$70 billion figure is more than double the amount of savings from tax expenditures assumed in the House Budget Committee's budget resolution. Unfortunately, the Senate Budget Committee did not include any savings from tax expenditures in the budget resolution we are debating today. I believe that is a serious mistake, because unless it is changed it virtually ensures that powerful, well-heeled special interests who have fought so hard for so long to protect their special tax breaks could be held harmless under this budget.

We must take steps now to reduce the Federal budget deficit in a way that is fair, responsible, and that requires shared sacrifice. This amendment would help us along that path. The amendment requires the closing of \$70 billion of special interest tax loopholes and other breaks which have received far too little scrutiny in this budget process. Senator BRADLEY, Senator FEINGOLD, and others have described in detail the problems posed by these huge tax breaks, and the savings which could be generated from these sources. Since a number of amendments have been defeated which would apply at least some of the savings generated by closing corporate loopholes and other tax breaks to other priority domestic programs, the time has now come to put to the test the proposition that at least some of these savings ought to be used exclusively for deficit reduction. That is why the savings generated by this amendment would be used exclusively to reduce the deficit.

When this budget resolution slashes funding for Medicare and Medicaid, when we are cutting education programs and student loans, when we are slashing Federal spending for veterans and farmers, when we are causing great pain for children and the most vulnerable in our society, it seems only fair that we should ask wealthy individuals and corporations to pay their fair share. That is why we should plug many of the narrowly focused tax breaks and loopholes which allow the privileged few to escape paying their

fair share, forcing everyone else to pay higher taxes to make up the difference. It is a simple question of fairness.

Let me make a simple point here that is often overlooked. We can spend money just as easily through the tax code, through what are called tax expenditures, as we can through the normal appropriations process. Spending is spending, whether it comes in the form of a Government check or in the form of a tax break for some special purpose, like a subsidy, a credit, a deduction, or an accelerated depreciation for this type of investment or that. Some tax expenditures are justified, and should be retained. But some are special interest tax breaks that should be eliminated, or loopholes that should be plugged. These are what this amendment is design to go after.

These special interest tax expenditures are simply special exceptions to the normal rules, rules that oblige all of us to share the burden of citizenship by paying our taxes. All of these special tax breaks distort, to one degree or another, economic investment decisions, usually in favor of wealthy individuals and corporations with the highest paid lobbyists in Washington.

It is time to end these special interest tax breaks and close these tax loopholes. Various groups from all ideological perspectives—from the National Taxpayers Union and the CATO Institute to the Progressive Policy Institute to the Citizens for Tax Justice—have prepared lists of tax expenditures which they believe should be eliminated. Special interest tax breaks are simply a subcategory of the larger group of tax provisions called tax expenditures. The Congressional Joint Tax Committee has estimated that tax expenditures cost the U.S. Treasury over \$420 billion every single year. And they also estimate that if we don't hold them in check, that amount will grow by \$60 billion to over \$485 billion by 1999. That's why tax breaks must be on the table along with other defense and domestic spending as we look for places to cut the deficit. But despite the logic of this approach, my colleagues on the other side of the aisle have refused to even consider the possibility of cutting tax breaks for wealthy corporate and other interests, making them bear their fair share of the deficit reduction burden. Instead, they have chosen to pursue the path of least political resistance, slashing programs for the broad middle class, the vulnerable elderly, and the poor.

Now, not all tax expenditures are bad. Not all should be eliminated. Some serve a real public purpose, such as providing incentives to investment, bolstering the nonprofit sector, encouraging charitable contributions, allowing people to deduct State and local taxes, and helping people to be able to afford to buy a home through the mortgage deduction. But some of them are simply tax dodges that can no longer be justified. At the very least, all of these should undergo the same scru-

tiny as other Federal spending, and should bear their fair share of deficit reduction.

It is only fair, since these special tax breaks for certain companies and industries force other companies and individuals to pay higher taxes to make up the difference. Some of these tax breaks allow privileged industries such as the oil and gas industry to avoid paying their fair share of taxes. All distort, to one degree or another, economic investment decisions, usually in favor of companies with the highest paid lobbyists in Washington. In many cases, doing away with these special tax breaks for certain industries would allow a more efficient allocation of economic resources.

I think it is a simple question of fairness. If Congress is really going to make the over \$1.4 trillion in spending cuts and other policy changes that would have to be made to balance the Federal budget by 2002, then those on the other side of the aisle should make sure that wealthy interests in our society, those who have political clout, those who can hire high-priced lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks whom you and I represent. We should represent those who receive Social Security or Medicare or veterans benefits, and not just those special interests who can afford to pay high-priced hired guns to lobby for them.

I am amazed that many in the majority party have proposed, among other things, expanding corporate tax breaks at the very same time that they are slashing Government spending on programs for the poor, for children, for education, and for the most vulnerable in our society. They have proposed tax cuts for the wealthy which, according to the Treasury Department, would cost hundreds of billions of dollars, and at the same time they refuse to subject a broad range of new tax breaks to scrutiny in the budget process. And these are the ones who call themselves deficit hawks?

Some will charge that by closing tax loopholes and restricting special interest tax breaks we're somehow proposing to raise taxes. And they will say that over and over and over until some will begin to believe it. They are wrong. What they fail to understand is that even with the reforms of the mid-1980's, which closed many of the most egregious tax loopholes, the presence of the tax breaks in the current tax system forces middle class and working people to pay more in taxes than they otherwise would have to pay. While some are paying less than their fair share in taxes because of these special tax subsidies, others are being forced to pay more in taxes to make up the difference. Closing tax loopholes is not raising taxes. Of course, these subsidies are hidden in the tax code because it would be too hard to get the votes in

Congress, in the full light of day, to directly subsidize these industries—especially under current budget constraints.

It is a simple matter of fairness. In our attempts to reduce the federal deficit, all sectors of our society must make some sacrifices. Specific industries and the wealthy are the ones who often benefit most from special interest tax breaks and loopholes. If we do not treat tax breaks the same as direct spending, the wealthy will avoid making any sacrifices as we cut spending programs for the middle class and the poor. Just because some special interest has the means to hire a high-priced tax lobbyist to get a special tax break written into legislation does not give them the right to avoid sharing in whatever sacrifices are necessary to reduce the budget deficit.

The General Accounting Office issued a report last year, and has issued several others on tax expenditures. It was titled "Tax Policy: Tax Expenditures Deserve More Scrutiny." I commend it to my colleagues' attention. It makes a compelling case for subjecting these tax expenditures to greater congressional scrutiny, just as direct spending is scrutinized. The GAO report reminds us that spending through special provisions in the tax code should be treated in the same way as other spending provisions.

At a time when we are talking about potentially huge spending cuts in meat inspections designed to insure against outbreaks of disease; or in higher education aid for middle class families; or in protection for our air, our lakes, and our land; or in highways; or in community development programs for states and localities; or in sewer and water projects for our big cities; or in safety net programs for vulnerable children; or to eliminate the school lunch program, we should be willing to weigh these cuts against special tax loopholes that could cost hundreds of billions each year. This amendment will have the Finance Committee close merely \$70 billion worth of these special interest tax breaks and loopholes—a modest \$10 billion per year for the next 7 years.

Under congressional budget rules, the details of which specific tax breaks to eliminate must be left to the Finance Committee. That is the way it should be. But even though I am not a tax lawyer, I have been able to identify a number of tax breaks for elimination, and loopholes which should be closed. For example, for much too long the oil and gas industry has enjoyed special tax breaks not available to other industries. These special tax loopholes include the ability to expense oil and gas exploration costs and the so-called Special Percentage Depletion Allowances. It is time to end these costly special tax privileges for a single industry. Why should the oil and gas industry receive special treatment in the tax code which is not available to other kinds of companies? Closing these special interest tax loopholes could save as much as \$10.6 billion over 5 years.

Other tax loopholes which should be closed relate to the taxation of multinational corporations. Through complex accounting shell games involving their foreign subsidiaries, and by locating their plants overseas, multinational corporations can avoid paying most of their U.S. taxes. According to some estimates, closing these loopholes could save as much as \$10 to \$15 billion over 5 years. Still other special tax breaks allow Americans working overseas to receive their first \$70,000 of income absolutely tax free, at a cost of \$8.6 billion over 5 years. We should also close the loophole which allows billionaires to renounce their U.S. citizenship and avoid paying taxes on the value of property which increased while they were U.S. citizens. The savings from closing this loophole would be at least \$1.7 billion over 5 years. Finally, we should stop the fancy stock swap loophole which allowed DuPont and Seagrams to avoid paying over \$1.5 billion in taxes that would otherwise be due to the Treasury. And we should consider further scaling back, or eliminating outright, section 936 of the Internal Revenue Code designed to subsidize certain investments in Puerto Rico. That provision alone would generate an estimated \$19.7 billion, according to the Congressional Budget Office. Eliminating these provisions alone would generate about \$50 billion in savings over the next 5 years, with billions more to be saved from other sources.

As I have said, it is a simple question of tax fairness. If Congress is really serious about making the painful spending cuts and other policy changes that would have to be made under this budget resolution, than those on the other side of the aisle should join us in voting to make sure that wealthy interests in our society, those who have political clout, those who can hire high-priced lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks whom you and I represent. Just because some special interest has the means to hire a high-priced tax lobbyist to get a special tax break written into legislation does not give them the right to avoid sharing in whatever sacrifices are necessary to reduce the budget deficit. In our efforts to shrink the Federal budget deficit, we just cannot let these special interest tax dodges continue.

Mr. President, I urge my colleagues to support the amendment.

Mr. EXON. Mr. President, this amendment would instruct the Senate Committee on Finance to report changes in the laws within its jurisdiction; to increase revenues by \$10 billion in fiscal year 1996; \$50 billion in the years 1996 through 2,000; and \$70 billion for the year 1996 to the year 2000; to be generated by scaling back or eliminating outright a number of unnecessary, excessive or inefficient tax expenditures, including those which provide special tax treatment to a single taxpayer or a group of taxpayers.

The \$70 billion goes to deficit reduction.

Mr. DOMENICI. Mr. President I want to respond. This is \$130 billion tax increase. I move to table the amendment.

AMENDMENT NO. 1141

(Purpose: To express the sense of the Senate regarding low-priority domestic discretionary funding to be reduced in order to pay for partial restoration of funding for the National Institutes of Health)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1141.

The amendment is as follows:

At the end of title III, insert the following: "It is the sense of the Senate that the low-priority discretionary funds to be reduced in order to offset funds restored for programs and activities of the National Institutes of Health should come from eliminating low-priority Federal programs like the Space Station, and not from high-priority programs for education, food and nutrition for low-income children, anticrime efforts, veterans programs, job training, health care, infrastructure, and other such investment programs."

Mr. WELLSTONE. Mr. President, while I was an original cosponsor of the Hatfield amendment to restore critical funding to the National Institutes of Health, I would like to offer a sense of the Senate that would ensure that we do not jeopardize other valued programs in order to accomplish this goal. In the budget resolution, funding for the NIH would have been reduced by nearly \$8 billion over 7 years. Such a reduction would have decimated the biomedical research effort of this country and could not be permitted. But the offsets necessary to restore funding to the NIH as proposed by Mr. HATFIELD should be taken from low-priority domestic discretionary programs like the Space Station, and not from high-priority programs like food and nutrition programs for low-income children, anticrime efforts, veterans programs infrastructure, and other such investment programs. Education, health care, and labor accounts have been protected by the Hatfield amendment but I include further protection for them in my amendment as well.

Mr. President, I want to take a moment to point out that the NIH serves as the focal point for health research in this country. It supports the work of over 50,000 scientists at over 1,700 institutions, as well as conducting biomedical and behavioral research and research training in its own facilities. The mission of the NIH is the pursuit of science "to expand fundamental knowledge about the nature and behavior of living systems, to apply that knowledge to extend the health of human lives, and to reduce the burdens

resulting from disease and disability". To pursue this mission, which is one that is essential to the future of America, requires adequate financial resources, scientists, and infrastructure. The Hatfield amendment will assure that these functions will be able to continue to improve the lives of the American people.

What would the impact have been if the originally proposed reductions in NIH funding had been permitted to occur? The NIH is now able to fund about 24 percent of all research proposals submitted each year. A 5-percent budget cut would have resulted in an ability to fund between 12 and 18 percent of such proposals, according to Dr. Harold Varmus, Director of NIH. A 10-percent cut, as proposed in the Senate budget resolution, would have meant that fewer than 1 proposal in 10 submitted to the NIH would have received funding. In some areas, where funding is already tight, such as mental health, fewer than 1 proposal in 20 would have received funding. This would have clearly been a tragedy. With such a low rate of funding for research, clearly less and less research would have been performed.

Just as important, however, would have been the effect on the research work force. Young people considering a career in biomedical research are unlikely to choose to do so when they realize that they only have 1 chance in 10 or 20 to be funded to do their work. The loss of young, creative researchers, once it had occurred, would have taken decades to replace.

The NIH agenda for the coming years includes a focus on HIV/AIDS, breast cancer and other women's health issues, minority health, tuberculosis, brain disorders, gene therapy, drug design, and disease prevention, among other topics. Are these important national problems? Is progress being made through research? Let's look at some examples:

First, breast cancer continues to be the cancer most frequently diagnosed in the United States. In the decade of the 1990s, it is estimated that more than 1.5 million new cases of breast cancer will be diagnosed and nearly 500,000 American women will die of breast cancer. Recent research, however, has led to the discovery of a gene linked to breast cancer, and the development of more precise screening techniques to detect breast cancer. Between 1989 and 1992, the overall death rate for breast cancer in American women declined 4.7 percent—in large measure due to these and other associated breakthroughs. Vital and successful programs that must be continued.

Second, Parkinson's disease and other neurologic diseases are continuing to devastate the lives of sufferers and their families. Parkinson's disease currently afflicts over one million Americans, and I have seen its effects firsthand. Both my mother and father had Parkinson's disease, and its manifestations seemed incredibly cruel

to me. My father was a writer, and at the very end of his life I remember seeing him in the study trying to type with his hand just shaking—he was unable to do it. Soon thereafter he was unable to walk, and was barely able to speak. At the time of his death, he was confined to bed, unable to communicate, and drained of the dignity with which he lived.

What is encouraging is that Parkinson's disease is on the threshold of substantial scientific breakthroughs. The new science of molecular biology has brought forth dramatic and exciting developments that have given Parkinson's patients new hope. Scientists are closer to discovering the cause—or causes—of this disease \* \* \* tissue implants into the brain have been shown to replace the dopamine that is missing in the brain of afflicted patients \* \* \* genetically engineered medication or even gene therapy might provide long-lasting, sustainable, side-effect-free improvements, or even a cure. Similar dramatic advances have occurred in the understanding and diagnosis of Alzheimer's disease. Restoring funding to the NIH, as accomplished by the Hatfield amendment, will help assure that these breakthroughs will be pursued, so that no person, and no family need to suffer as my parents, and my family did, with neurodegenerative diseases.

These are just two examples, and there are many others that illustrate the value of the biomedical research effort, and the tragedy and human suffering that would occur if it is not supported.

A little appreciated benefit of NIH work is a reduction of health care costs, by early diagnosis, more effective treatment, and disease prevention. For example, the NIH recently developed a vaccine against a common bacterial infection—Haemophilus influenzae type B—that afflicts children. When severe, this infection can cause meningitis, and result in mental retardation, at a great cost in suffering to the patient and family, and financially to society as well. The vaccine that was developed will prevent this illness. It is projected that this breakthrough alone will save Americans over \$400 million a year.

Critics of the NIH note that funding has doubled in the past 10 years, and, therefore, claim that cuts could be made without harming programs. Although NIH's budget has increased almost every year, the available money has not grown as rapidly as the demand for it to conduct research, largely because of the opening up of so many new, promising fields of research in biomedical sciences over the past two decades. Between 1984 and 1993, for example, applications for research projects support increased 33 percent. The number of awards made during this time, however, fluctuated greatly from year to year. The result has been unpredictable variability, with a downward trend, in the fraction of projects submitted, that are awarded grants. In

1987, 34.8 percent of grants were funded, but this has steadily fallen to 25 percent in 1994 overall, and lower in some Institutes of the NIH.

In addition to the disastrous effects on investigators, cuts in the NIH budget of the magnitude proposed would have had an equally devastating effect on the Nation's medical schools. About half of NIH's extramural budget ends up in medical schools, directly to support research, and indirectly to help maintain the infrastructure necessary to carry out the research.

The Hatfield amendment will assure that medical schools have the resources they need to continue their efforts in research. I hope that my colleagues will also support my amendment to assure that low-priority discretionary funding is used to restore the critically needed funds to the National Institutes of Health.

Mr. EXON. Mr. President, this amendment expresses the sense of the Senate that low-priority domestic programs and activities of the Federal Government, including the space station, should be reduced in order to meet the requirement of the Hatfield National Institutes of Health amendment.

It ensures that the high-priority programs, including education, food and nutrition for low-income children, anticrime efforts, veterans programs, job training, health care, and other similar investments be protected.

Mr. DOMENICI. I am pleased to note that the tax loopholes that could be closed could include the interest deduction on home mortgage.

AMENDMENT NO. 1196

(Purpose: To propose a substitute)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1196.

(The text of the amendment appears under today's RECORD under "Amendments Submitted.")

Mr. BIDEN. Mr. President, we all know that years and years of Federal budget deficits are a real threat to the future of our economy.

We know that they cut into the private savings and investment we need to provide for a better future.

We know that they require us to borrow from other countries, increasing our exposure to the changeable winds of the global economy.

And, Mr. President, we know that those deficits contribute to the perception that Government does not work, that it cannot do its own job, that we cannot get our own House in order.

When I introduced my own balanced budget amendment over 10 years ago, and when I voted for the balanced budget amendment earlier this year, I did so in the conviction that regaining

control of our Federal finances must be at the top of our priorities.

But I said when I cast my vote that, a crucial reason for my concern about the deficit is that its very real importance threatens to overwhelm our ability to make rational—and yes, compassionate—choices for the future of our country.

By its sheer size and seriousness, the Federal deficit is driving all other policy choices. It is dictating the terms of debate as we consider what we can do about crime, health care, welfare reform, our decaying infrastructure, military readiness, and the place of our country in a changing world.

Now, Mr. President, it is completely appropriate for us to subject every policy, every dollar we spend, to the strictest standards of cost effectiveness.

That should be our standard, no matter what shape our books are in.

But as I said when I voted for the balanced budget amendment, Mr. President, we must achieve that standard in a way that is fair, and that covers everything in the budget, including tax expenditures.

And, Mr. President, we must understand that a shortsighted focus on the bottom line, on simply cutting spending without a thought for its impact on the future, can threaten our future just as surely as continued deficits.

Mr. President, we must continue on the path we began 2 years ago toward lower and lower deficits—but we must also continue to commit our scarce resources where they can do the greatest good, for the greatest number of our citizens, over the long run.

Unfortunately, Mr. President, the Republican budget plan is not fair, and it fails to meet our obligation to invest in the future. Therefore, I cannot support it.

I regret that I cannot support that budget plan, that on paper—if a lot of heroic assumptions work out—aims at a zero deficit by the year 2002.

But the refusal to accept amendments—amendments, Mr. President, that would not have changed that zero-deficit goal of a balanced budget by the year 2002—has left us with a budget plan that is not fair and that sacrifices our future for shortsighted savings today.

And, I am sorry to say, Mr. President, it leaves us with a budget plan that puts the burden of deficit reduction on those who are least able to bear it. That unfairness, I believe, will have real economic costs that could be avoided by a more careful considered path toward the balanced budget goal.

Let us remember, Mr. President, that the amendments that were rejected would not have increased the deficit—they would have continued the path toward a zero deficit—but they would have achieved that goal while maintaining our commitment to investments vital for the future of our economy and society.

I supported an amendment by Senator ROCKEFELLER to restore \$100 bil-

lion in Medicare cuts, and I cosponsored Senator JOHNSTON's amendment to restore two-thirds of the Medicare cuts. These amendments would still have eliminated the deficit by 2002. But, instead of tax cuts—tax cuts not for the middle class but for those who do not need them—these amendments would have preserved Medicare for those seniors on fixed incomes.

Unfortunately, both Medicare amendments failed. And, the effect of the underlying Republican budget would be to increase the costs of Medicare for the average senior citizen by \$900 in the year 2002. I believe this is neither desirable nor necessary to balance the Federal budget.

In the same way, Mr. President, the Republican budget plan cuts \$21 billion from a program to reward work that President Ronald Reagan called the best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress, the earned income tax credit.

Senator BRADLEY's attempt to restore that cut—to repeal that tax increase on the working poor—was defeated.

The Republican cuts in the earned income tax credit come with no thought about how they would affect the pressing need for real welfare reform.

Now we all agree, Mr. President, that the central question in welfare reform is how to get people off the dole and back to work. But by increasing the tax burden on low-income working families, the cuts in the earned income tax credit will make work less attractive for the very families that are at the greatest risk of falling into the welfare system.

The Republican budget says, "cut first," Mr. President, "and ask questions later."

The Republican budget is shortsighted in other ways, Mr. President. It makes education more expensive, and cuts away at crucial supports for the research programs that have—up to now—kept our country in the lead internationally in the most critical factor needed for future competitiveness—knowledge.

I cosponsored and supported amendments that would restore funding to student loan programs and to the funds available for medical and other research programs that could sustain our country's international leadership in the production of that knowledge.

In all of these areas—providing health care, promoting work over welfare, supporting education, and research—I voted for amendments to the Republican budget plan. These changes would have achieved the balanced budget goal we all seek, but without the unwise and unnecessary cuts that will weaken the foundations for stronger economic growth.

Those changes I supported, Mr. President, would have also assured that more Americans could participate in that future growth.

Those amendments would have achieved the same balanced budget

goal as the Republican plan, but in a way that shared the sacrifice more fairly now, and would provide a fairer distribution of the future benefits from that sacrifice.

When I saw the many weaknesses in the Republican plan, Mr. President, I resolved to join with Senator BRADLEY in offering an alternative balanced budget plan that would achieve the benefits from eliminating deficits in ways that did not sacrifice fairness or the foundations of economic growth.

As I said, Mr. President, among my first concerns was the unwise and unnecessary cuts in Medicare that are the real cornerstone of the Republican budget plan. Without those cuts, there is no Republican plan for balancing the budget.

The Bradley-Biden amendment restores \$175 billion of the Republican cuts in Medicare and Medicaid. Our plan would increase Medicare 8 percent annually over the next 7 years.

However, it is our hope that we can reduce the cost of Medicare in that time through comprehensive health care reform—not with arbitrary cuts like those proposed in the Republican budget.

By controlling the underlying growth in health care costs—which is the real cause of the increase in Medicare costs—comprehensive health care reform would be a benefit not only to Medicare recipients but to all Americans. And the offshoot is that down the road, we can save money in the Medicare Program—savings that we hope will not require cutting how much Medicare pays to doctors and hospitals, and even more importantly, savings that will not mean higher costs to senior citizens on fixed incomes.

The irony is that Republicans have been using the annual report of the Medicare Board of Trustees to justify their draconian cuts in Medicare. But, the Republicans are ignoring the Board's recommendation to Congress to save the Medicare system as part of broad-based health care reform.

But beyond the fact that the Bradley-Biden plan would honor our country's commitment to provide health care for our elderly, there are other, more fundamental differences between our program and the Republican budget.

For example, we demand restraint in the growth of tax expenditures, among the fastest-growing reasons we continue to pile up deficits.

Now, Mr. President, this plan imposes a hard freeze on domestic spending—no increase in the dollars spent—and then cuts an additional \$15 billion. And this plan cuts an additional \$10 billion from the current projections for defense spending.

This is strong medicine for our persistent deficit disease.

Unfortunately, we now must take such dramatic—and painful—steps in those areas.

But in the name of fundamental fairness, Mr. President, how can we ask

the children, the poor, the elderly, of our country to sacrifice without demanding that those who have prospered under the current system, and have continued to prosper as deficits have built up over the years, to participate in restoring balance to our country's finances?

Make no mistake, tax expenditures have the same effect on our deficits as any other kind of Federal program—they increase the gap between what we spend and what we take in. Why don't we examine them with the same critical accountant's eye that we must apply to defense spending, agricultural programs, education, health, and research?

Incredibly, Mr. President, the Republican plan refuses to touch this rapidly growing drain on the Treasury, choosing instead to permit what will be a \$4 trillion entitlement program between now and the year 2002 to go untouched.

Let me repeat that Mr. President. Tax entitlements—exemptions, deductions, loopholes, call them what you will—will total \$4 trillion between now and the year we seek to achieve a balanced budget.

In their search for ways to reduce Federal deficits, the Republicans have taken on spending for children, for the elderly, for the working poor, for education, for scientific and medical research. But they won't touch tax expenditures that will cost the Treasury three times what it will take to balance the budget over the next 7 years.

What Senator BRADLEY and I would do is subject those tax entitlements to the same scrutiny that we apply to the rest of the budget—no more sacrifice from that source than from others, but no less, either.

All told, we would cut only \$197 billion over 7 years from that \$400 billion—a 5-percent reduction over the 7 years.

Of course, not all tax deductions and exemptions have to be cut to achieve that modest goal. Our plan would not touch the home mortgage deduction, the deduction for State and local taxes, or the deduction for contributions to charities.

Let me repeat that before I hear that those worthwhile and necessary items are at risk under our plan. They are not. We do not need to touch them to achieve our balanced budget goal in the year 2002.

But we would slow the growth—not eliminate, but slow the growth—in such tax expenditures as the quick tax write-off for timber that will cost us \$2.3 billion over the next 5 years.

I believe that most Americans would agree that such programs—programs that lose money from the Treasury as surely as any other—could share some of the restraint needed to restore balance to the Federal budget.

By cutting this and other tax breaks, we would save \$197 billion that can be used to bring the Federal deficit to zero by the year 2002.

By refusing to take on the huge tax expenditure budget, Mr. President, the

Republican plan must find its savings by raising Medicare premiums by \$900, by adding \$3,000 to the cost of a student loan, and by increasing taxes by \$21 billion on working families.

These are cuts that the Bradley-Biden plan does not have to make, Mr. President, because it spreads the costs of deficit reduction more equitably, and thereby requires less sacrifice of those who can least afford it.

In addition to sharing the near-term sacrifice more evenly, this plan also builds a foundation for future economic growth that will be more widely shared, as well.

Our plan provides for full funding of student loans, and makes reckless cuts in our Nation's scientific and medical research unnecessary. It provides for prudent levels of investment in the equipment, the information, and the people who will lead our economy—and the world's economy—into the next century.

And, Mr. President, the Bradley-Biden plan permits—once a real deficit-reduction plan is in place and its benefits can be accurately predicted and scored by the Congressional Budget Office—it permits a \$10,000 college tuition tax deduction for middle-class families.

It helps to underwrite our competitive future, and it helps to underwrite a key element of the American dream.

Mr. President, ours is a plan that would achieve the goal we all share—a balanced budget. But we should aspire to more, Mr. President—we should dream of a better future, and we should take the actions now that are needed to make that dream a reality.

Without continued support now for education, scientific and medical research, health care, public infrastructure, and other investments, we will be poorer in the long run, whatever shape our Federal finances are in.

The Bradley-Biden balanced budget plan not only achieves the mundane, but essential, goal of restoring balance to the Government's books. It makes the investments necessary to keep alive our faith in the future.

Mr. EXON. Mr. President, the Bradley amendment reduces defense spending by \$5 billion; reduces nondefense discretionary by \$15 billion more, than a hard freeze; restores \$100 billion of the \$256 billion Republican Medicare cut; \$85 billion from a \$1 a pack increase in the tobacco tax; restores \$75 billion of the \$175 billion Republican Medicaid cut; retains Republican agricultural cuts; restores funding of student loans; restores \$60 billion of the \$86 billion in income assistance cut by the Republican budget plan; reduces the tax loopholes for corporations and the wealthy by \$197 billion.

If the fiscal dividend materializes, using \$70 billion to restore a portion of the spending cuts from the Republican proposal; and lastly, uses the remaining \$100 million of fiscal dividend, if available, to provide a middle-class tax cut.

Mr. DOMENICI. Mr. President, this proposes \$282 billion in tax increases

over 7 years. I think that is the record setter. It cuts outlays in the agricultural programs and others.

I believe it is pretty late to have a full budget before the Senate today. I move to table it.

AMENDMENT NO. 1197

(Purpose: To reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) from \$13,795,000,000 in outlays over 7 years, to \$4,395,000,000 by closing tax loopholes)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SMITH). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. SNOWE, for herself, Mr. SIMON, Mr. COHEN, Mr. CAMPBELL, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. DODD, Mr. WELLSTONE, Mr. HOLLINGS, Mr. KENNEDY, and Mr. HARKIN, proposes an amendment numbered 1197.

The amendment is as follows:

Close tax loopholes and corporate subsidies by the following amounts:

On page 3, line 10, increase the amount by \$875,000,000.

On page 3, line 11, increase the amount by \$1,100,000,000.

On page 3, line 12, increase the amount by \$1,250,000,000.

On page 3, line 13, increase the amount by \$1,400,000,000.

On page 3, line 14, increase the amount by \$1,550,000,000.

On page 3, line 15, increase the amount by \$1,550,000,000.

On page 3, line 16, increase the amount by \$1,675,000,000.

On page 3, line 20, increase the amount by \$875,000,000.

On page 3, line 21, increase the amount by \$1,100,000,000.

On page 3, line 22, increase the amount by \$1,250,000,000.

On page 3, line 23, increase the amount by \$1,400,000,000.

On page 3, line 24, increase the amount by \$1,550,000,000.

On page 3, line 25, increase the amount by \$1,550,000,000.

On page 4, line 1, increase the amount by \$1,675,000,000.

Restore cuts in student loans by the following amounts:

On page 5, line 17, increase the amount by \$875,000,000.

On page 5, line 18, increase the amount by \$1,100,000,000.

On page 5, line 19, increase the amount by \$1,250,000,000.

On page 5, line 20, increase the amount by \$1,400,000,000.

On page 5, line 21, increase the amount by \$1,550,000,000.

On page 5, line 22, increase the amount by \$1,550,000,000.

On page 5, line 23, increase the amount by \$1,675,000,000.

On page 6, line 16, increase the amount by \$875,000,000.

On page 6, line 17, increase the amount by \$1,100,000,000.

On page 6, line 18, increase the amount by \$1,250,000,000.

On page 6, line 19, increase the amount by \$1,400,000,000.

On page 6, line 20, increase the amount by \$1,550,000,000.

On page 6, line 21, increase the amount by \$1,550,000,000.

On page 6, line 22, increase the amount by \$1,675,000,000.

On page 31, line 12, increase the amount by \$875,000,000.

On page 31, line 20, increase the amount by \$1,100,000,000.

On page 32, line 3, increase the amount by \$1,250,000,000.

On page 32, line 11, increase the amount by \$1,400,000,000.

On page 32, line 19, increase the amount by \$1,550,000,000.

On page 33, line 2, increase the amount by \$1,550,000,000.

On page 33, line 10, increase the amount by \$1,675,000,000.

On page 31, line 13, increase the amount by \$875,000,000.

On page 31, line 21, increase the amount by \$1,100,000,000.

On page 32, line 4, increase the amount by \$1,250,000,000.

On page 32, line 12, increase the amount by \$1,400,000,000.

On page 32, line 20, increase the amount by \$1,550,000,000.

On page 33, line 3, increase the amount by \$1,550,000,000.

On page 33, line 11, increase the amount by \$1,675,000,000.

On page 64, strike beginning with line 7 through page 64 line 12, and insert the following:

"Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays \$266,000,000 in fiscal year 1996, \$2,990,000,000 for the period of fiscal years 1996 through 2000, and \$4,395,000,000 for the period of fiscal years 1996 through 2002."

At the appropriate place insert the following: The assumption underlying the functional totals include that "It is the sense of the Senate that cuts in student loan benefits should be minimized, and that the current exclusion of income of Foreign Sales Corporations should be eliminated."

Mr. SIMON. Mr. President, I was extremely happy to see that the Senate passed the Snowe-Simon amendment restoring \$9.4 billion for the student loan program. The Senate has agreed to fund this amendment by closing corporate tax loopholes. I want to emphasize, however, that the specific loophole mentioned in the amendment was not binding in any way and was intended to serve only as one of many possible suggestions. Indeed, on the basis of the very persuasive arguments made by Senators MURRAY, KERRY, KENNEDY, and BIDEN about the high-tech industry in their States and in the nation, I have been persuaded to work with the Finance Committee to find a different tax loophole to use as a funding source.

Ms. SNOWE. I understand the concerns of my colleagues, as well. I too will work with the Finance Committee to find a source of revenue for the student loan program that best serves all the interests of my colleagues. I want to thank Senators MURRAY, KERRY, KENNEDY, and BIDEN for their help in restoring funding for the student loan program. And I especially thank my Republican cosponsors—Senators COHEN, KASSEBAUM, CAMPBELL, and JEFFORDS) for their help and assistance on this important amendment.

Mr. KENNEDY. Mr. President, I am delighted that the Senate returned to

its tradition of bipartisan support for education to restore \$9.4 billion to student loan accounts by an overwhelming majority. These funds provide vital support for the Nation's college students.

I also welcome the statement of my colleagues Senators SIMON and SNOWE concerning the offset and our willingness to work closely with members of the Committee on Finance to insure that the most appropriate offset is developed. Clearly, tax expenditures should bear their fair share of any serious effort to balance the budget.

Mr. ABRAHAM. Mr. President, while I strongly support the goal of the Snowe-Simon amendment to lessen the cuts in the education function, I cannot vote for this approach because it proposes to raise taxes.

Although the authors of this amendment claim that this will be accomplished by closing a tax loophole for foreign sales corporation, which I would support in the context of fundamental tax reform or overall tax reduction—as, indeed, I strongly favor closing many tax loopholes, and will work to so when a tax bill is under consideration—the practical legislative effect of this amendment would be to instruct the Senate Finance Committee to raise tax revenues by about \$9.4 billion over 5 years through any means.

Mr. President, that could mean higher taxes on working families, the elderly or others whose economic future I care about. Out of the some \$12 trillion we will spend under this budget, I believe that over the next 7 years, we can find the additional dollars to fully protect needy students by cutting corporate welfare and unnecessary spending. That is why I worked with Senator SNOWE yesterday on an amendment that would protect student loans by cutting spending.

Having said this, if this amendment should pass, I will support this budget resolution and strongly encourage the conferees on the budget to retain this resolution in student loan funding, but do so by cutting spending in other areas. Further, in my position as a member of the Senate Labor and Human Resources Committee I will work to ensure that the Guaranteed Student Loan Program is fully funded under any circumstances I yield the floor.

Mr. DOMENICI. Mr. President, this amendment reduces the reconciliation instruction to the Committee on Labor and Human Resources, primarily affecting student loans, from \$13,795,000,000 in outlays over 7 years to \$4,395,000,000 over the same period of time by closing tax loopholes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I think I have a little time left. With regard to this, we favor the Snowe amendment and urge its support. It would restore funding needed for student loans.

Mr. President, I ask unanimous consent that it be in order at this point to

ask for the yeas and nays on the four remaining amendments that have been outlined with one request for the yeas and nays, which I request at this juncture.

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

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I move to table the first Wellstone amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me ask Members to stay right here because we are going to go as quickly as we can, hoping to do it in less time. We had an hour debate. We are going to ask consent, and I ask now unanimous consent to reduce that to 40 minutes instead of 1 hour on behalf of the managers on each side. Then we will have final passage of the budget and then we will move to the terrorism bill.

The PRESIDING OFFICER. The question is on the motion.

Mr. DOLE. Did we get the agreement on the 1 hour to 40 minutes?

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

VOTE ON MOTION TO TABLE AMENDMENT NO. 1136

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1136.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI], is necessary absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 84, nays 15, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—84

|           |            |               |
|-----------|------------|---------------|
| Abraham   | Ford       | Lott          |
| Akaka     | Frist      | Lugar         |
| Ashcroft  | Glenn      | Mack          |
| Baucus    | Gorton     | McCain        |
| Bennett   | Graham     | McConnell     |
| Biden     | Gramm      | Moseley-Braun |
| Bingaman  | Grams      | Murkowski     |
| Bond      | Grassley   | Murray        |
| Bradley   | Gregg      | Nickles       |
| Breaux    | Hatch      | Nunn          |
| Brown     | Hatfield   | Packwood      |
| Bumpers   | Heflin     | Pressler      |
| Burns     | Helms      | Pryor         |
| Byrd      | Hutchison  | Robb          |
| Campbell  | Inhofe     | Rockefeller   |
| Chafee    | Inouye     | Roth          |
| Coats     | Jeffords   | Santorum      |
| Cochran   | Johnston   | Sarbanes      |
| Cohen     | Kassebaum  | Shelby        |
| Coverdell | Kempthorne | Simpson       |
| Craig     | Kerrey     | Smith         |
| D'Amato   | Kerry      | Snowe         |
| Daschle   | Kohl       | Specter       |
| DeWine    | Kyl        | Stevens       |
| Dole      | Lautenberg | Thomas        |
| Domenici  | Leahy      | Thompson      |
| Exon      | Levin      | Thurmond      |
| Faircloth | Lieberman  | Warner        |

## NAYS—15

|        |           |           |
|--------|-----------|-----------|
| Boxer  | Feingold  | Moynihan  |
| Bryan  | Feinstein | Pell      |
| Conrad | Harkin    | Reid      |
| Dodd   | Hollings  | Simon     |
| Dorgan | Kennedy   | Wellstone |

## NOT VOTING—1

Mikulski

So the motion to table the amendment (No. 1136) was agreed to.

The PRESIDING OFFICER. The question now occurs on amendment No. 1141 offered by the Senator from Minnesota [Mr. WELLSTONE]. On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. DOMENICI. Mr. President, I move to table the Wellstone amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

## VOTE ON MOTION TO TABLE AMENDMENT NO. 1141

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the amendment of the Senator from Minnesota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 18, as follows:

## [Rollcall Vote No. 229 Leg.]

## YEAS—81

|           |            |             |
|-----------|------------|-------------|
| Abraham   | Feinstein  | Lieberman   |
| Akaka     | Ford       | Lott        |
| Ashcroft  | Frist      | Lugar       |
| Baucus    | Glenn      | Mack        |
| Bennett   | Gorton     | McCain      |
| Bingaman  | Graham     | McConnell   |
| Bond      | Gramm      | Murkowski   |
| Boxer     | Grams      | Murray      |
| Breaux    | Grassley   | Nickles     |
| Brown     | Gregg      | Nunn        |
| Burns     | Hatch      | Packwood    |
| Byrd      | Hatfield   | Pressler    |
| Campbell  | Heflin     | Robb        |
| Chafee    | Helms      | Rockefeller |
| Coats     | Hollings   | Roth        |
| Cochran   | Hutchison  | Santorum    |
| Cohen     | Inhofe     | Sarbanes    |
| Coverdell | Inouye     | Shelby      |
| Craig     | Jeffords   | Simpson     |
| D'Amato   | Johnston   | Smith       |
| Daschle   | Kassebaum  | Snowe       |
| DeWine    | Kempthorne | Specter     |
| Dodd      | Kerrey     | Stevens     |
| Dole      | Kerry      | Thomas      |
| Domenici  | Kohl       | Thompson    |
| Exon      | Kyl        | Thurmond    |
| Faircloth | Leahy      | Warner      |

## NAYS—18

|         |               |           |
|---------|---------------|-----------|
| Biden   | Feingold      | Moynihan  |
| Bradley | Harkin        | Pell      |
| Bryan   | Kennedy       | Pryor     |
| Bumpers | Lautenberg    | Reid      |
| Conrad  | Levin         | Simon     |
| Dorgan  | Moseley-Braun | Wellstone |

## NOT VOTING—1

Mikulski

So, the motion was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the Bradley amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

## VOTE ON MOTION TO TABLE AMENDMENT NO. 1196

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1196, offered by the Senator from New Jersey [Mr. BRADLEY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 13, as follows:

## [Rollcall Vote No. 230 Leg.]

## YEAS—86

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Faircloth  | Lott      |
| Akaka     | Feingold   | Lugar     |
| Ashcroft  | Feinstein  | Mack      |
| Baucus    | Ford       | McCain    |
| Bennett   | Frist      | McConnell |
| Bingaman  | Glenn      | Murkowski |
| Bond      | Gorton     | Murray    |
| Breaux    | Graham     | Nickles   |
| Brown     | Gramm      | Nunn      |
| Bryan     | Grams      | Packwood  |
| Bumpers   | Grassley   | Pressler  |
| Burns     | Gregg      | Pryor     |
| Byrd      | Harkin     | Reid      |
| Campbell  | Hatch      | Robb      |
| Chafee    | Hatfield   | Roth      |
| Coats     | Heflin     | Santorum  |
| Cochran   | Helms      | Sarbanes  |
| Cohen     | Hollings   | Shelby    |
| Conrad    | Hutchison  | Simpson   |
| Coverdell | Inhofe     | Smith     |
| Craig     | Inouye     | Snowe     |
| D'Amato   | Jeffords   | Specter   |
| Daschle   | Johnston   | Stevens   |
| DeWine    | Daschle    | Thomas    |
| Dodd      | Kassebaum  | Thompson  |
| Dole      | Kempthorne | Thurmond  |
| Domenici  | Kerrey     | Warner    |
| Dorgan    | Kerry      | Wellstone |
| Exon      | Kyl        |           |
|           | Lieberman  |           |

## NAYS—13

|         |               |             |
|---------|---------------|-------------|
| Biden   | Lautenberg    | Pell        |
| Boxer   | Leahy         | Rockefeller |
| Bradley | Levin         | Simon       |
| Kennedy | Moseley-Braun |             |
| Kohl    | Moynihan      |             |

## NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1196) was agreed to.

## VOTE ON AMENDMENT NO. 1197

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1197 offered by the Senator from Maine [Ms. SNOWE].

The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 32, as follows:

## [Rollcall Vote No. 231 Leg.]

## YEAS—67

|           |            |               |
|-----------|------------|---------------|
| Akaka     | Feinstein  | Moseley-Braun |
| Baucus    | Ford       | Moynihan      |
| Bennett   | Frist      | Murray        |
| Biden     | Glenn      | Nunn          |
| Bingaman  | Graham     | Pell          |
| Boxer     | Grassley   | Pressler      |
| Bradley   | Harkin     | Pryor         |
| Bryan     | Hatch      | Reid          |
| Bumpers   | Hatfield   | Robb          |
| Byrd      | Heflin     | Rockefeller   |
| Campbell  | Hollings   | Roth          |
| Chafee    | Inouye     | Santorum      |
| Cochran   | Jeffords   | Sarbanes      |
| Cohen     | Johnston   | Shelby        |
| Conrad    | Kassebaum  | Simon         |
| D'Amato   | Kennedy    | Simpson       |
| Daschle   | Kerrey     | Snowe         |
| DeWine    | Kerry      | Specter       |
| Dodd      | Kohl       | Stevens       |
| Domenici  | Lautenberg | Warner        |
| Dorgan    | Leahy      | Wellstone     |
| Exon      | Levin      |               |
| Faircloth | Lieberman  |               |

## NAYS—32

|           |            |           |
|-----------|------------|-----------|
| Abraham   | Gorton     | Mack      |
| Ashcroft  | Gramm      | McCain    |
| Bond      | Grams      | McConnell |
| Breaux    | Gregg      | Murkowski |
| Brown     | Helms      | Nickles   |
| Burns     | Hutchison  | Packwood  |
| Coats     | Inhofe     | Smith     |
| Coverdell | Kempthorne | Thomas    |
| Craig     | Kyl        | Thompson  |
| Dole      | Lott       | Thurmond  |
| Faircloth | Lugar      |           |

## NOT VOTING—1

Mikulski

So the amendment (No. 1197) was agreed to.

Mr. SIMON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. WARNER). The majority leader.

Mr. DOLE. Mr. President, we are going to have 40 minutes of debate now.

Mr. FORD. Mr. President, may we have order so we can understand?

Mr. DOLE. Forty minutes and then final passage. I think it would be helpful if all Members remain in their seats, or if they do not care to listen to final debate, then remove themselves from the Chamber. We hope to start the vote about quarter of 6, or 10 of 6. I think the first speaker will be the distinguished Senator from Nebraska, Senator EXON.

So I urge my colleagues to give the managers our attention here for the next 40 minutes.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself 10 minutes of the time allotted to our side.

Mr. DOMENICI. Mr. President, I think we should have order.

The PRESIDING OFFICER. The Chair respectfully asks all Senators to take their seats.

The Senator from Nebraska.

Mr. EXON. Mr. President, as we reach closure—

Mr. DOMENICI. Mr. President, I make my request again. I think we should have order in the Senate.

The PRESIDING OFFICER. The Senator's point is well taken. The Chair requests all Senators to cease conversation.

The Senator from Nebraska.

Mr. EXON. Mr. President, as we come to the closure of debate on this very, very important budget matter, I want to start out my closing remarks by taking a moment to thank the Budget Committee staffs, the majority staff and the minority staff, for what I think was a truly wonderful job. It takes a lot of hard work and they performed it so very, very well, whether in the minority or majority. I think we all recognize that while we have fractious debates from time to time, our staffs do a particularly outstanding job in working together.

Senators on this side of the aisle are certainly most grateful for the contribution of our minority staff and also the important role and relationship we have had with the Senators on that side, headed by my good friend, Senator DOMENICI, and his excellent staff. I guess few realize the truly monumental task and the intricate time demands and the details—the daunting task, if you will, of budgeting. It was much tougher this year than it was in previous years, when we were obviously more restrained about our expenditures.

I want to take a moment if I can, then, just to run through some names here that I shall be forever indebted to. I think the Senate will be as a whole. The American people should know it was an able staff headed by my chief of staff, Bill Dauster, whom everyone recognizes is one of the true experts on our budget. I thank Bill for all he has done. And the excellent staff he has assembled to work with.

I want to thank: deputy chief of staff Jerry Slominski; analyst for Transportation and Justice Andy Blocker; analyst for Veterans and Commerce Kelly Dimock; special assistant to the ranking member Tony Dresden; analyst for government, community and regional development Meg Duncan; general counsel Jodi Grant; senior analyst for Energy and environment Matt Greenwald; LBJ fellow Nancy Harris; senior analyst for income security, social security and Medicaid Joan Huffer; chief economist Jim Klumpner; staff assistant Nell Mays; director of budget review and analysis and analyst for Medicare Sue Nelson; presidential management intern Susan Ross; and assistant director for revenue and natural resources David Williams, and the others who played key roles in our budget staff.

Mr. President, let me take a few minutes, if I can, to sum up the feelings this Senator has after a lot of work and effort by a lot of people.

I come down to the final debate on the 1996 budget resolution with a lot of thoughts and with a lot of appreciation for all the help I have had. I was just thinking the other day, though, that this will be my 17th budget that I have

debated in the U.S. Senate. I voted for some good, creditable budgets, like the one in 1993 that provided nearly \$500 billion in deficit reduction. I voted against others that I believed were fiscally unsound and were not in the best interests of our great Nation. Each of those budgets was important, but perhaps none as important as this one at this particular time.

As Nebraska draws me closer to home, I think more about the country I want to leave my fellow citizens. I think about their day-to-day struggle for a better life. I think about their grandchildren and the uncertainties they face, I think about how I want to leave them a country with shoulders broad enough to build a family and a future on.

This Republican budget may convey that legacy to some, but not to this fiscally conservative Nebraskan. It is a budget that makes a devil's bargain over tax cuts at a time when we should be appealing to our better angels. We should make sure we balance the budget before we make a real or phony commitment to the politically popular promise of a tax cut.

It is a budget that takes away unfairly from our seniors, children, and least fortunate, but disproportionately and unfairly lines the pockets of the wealthiest among us.

It is a budget that keeps the most affluent fling first class, but puts rural America in a tail spin.

It is a budget that turns a blind eye to working Americans who play by the rules.

In the final analysis, it is a budget I cannot support.

I know what a tough task my good friend, the chairman of the Budget Committee, has had. I salute him for the masterful job he has done. And he has my condolences for the job that lies ahead that will require the wisdom of Solomon and the patience of Job.

We may disagree on the shape of this budget. But the Senator from New Mexico and I truly believe, both of us, in balancing the budget. For us, and many of our colleagues on both sides of the aisle, this is not an abstraction. We want to make a decisive attack on our country's budget crisis.

I wanted a bipartisan balanced budget where all of us would share, and share equally, in the painful decisions and sacrifices that are necessary to bring the budget into balance. I wanted a balanced budget that was driven by fairness.

On many occasions, before and during this debate, I offered the olive branch to my colleagues on the other side of the aisle. In spite of the heated rhetoric, I thought that cooler heads could prevail. I offered compromise and reason. I offered unity instead of division. I thought we could fine tune this budget and redistribute the cuts within its framework. I thought that we could work together to produce a balanced budget that most Republicans and Democrats could support.

But the past 50 hours have proven me wrong. The Republicans froze us out of the process, basically. We were persona non grata as far as they were concerned. I didn't expect my Republican colleagues to accept all of our amendments. But they did not give serious consideration to barely any of the constructive and reasonable amendments we offered. And none, and I repeat none of the amendments I supported would have kept us from balancing the budget by the year 2002, which is the central element, I think in the plan offered by the majority.

The Republican majority put a fence around their budget. We were blocked at every turn. We were rebuffed on each critical amendment. It was "No" to softening cuts on Medicare. It was "No" to the earned income tax credit. It was "No" to education. It was "No" to rural America. It was "No" to fairness. It was "No" to shared sacrifice.

Mr. President, this is not a budget for all seasons, and is certainly lacking in reason. This is not a budget for all Americans. This is not a budget of shared sacrifices. This is not a budget on which our fellow citizens in Nebraska, or elsewhere can build a better life. This is a budget that I cannot support.

Where do we go from here? To something workable and more constructive? Given the budget presented us by the House, and this one concocted in the Senate, we go to conference with little hope of a final budget that will have any semblance of bipartisan support.

It follows that the reconciliation bill and the appropriations measures will be so bound in advance by this unworkable budget that the end product will also be devoid of any real semblance of bipartisan support.

There are those who seemingly have reveled in the charges that the President is "irrelevant" in the budget considerations. They will find out how "irrelevant" he really is should he veto—and, in my opinion, properly so—the end product of all of this partisanship.

Beginning now, and up to the point of a possible veto, I will be working with my President and my colleagues on both sides of the aisle to attempt to fashion a workable bipartisan compromise that will not be painless, but will be fair to all Americans and, most importantly, to America.

I reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a few Senators who requested time. Maybe I will do that before I give my closing remarks. Senator GRAMM asked for some time, and I will give him 2 minutes. Senator ROBB, who is not here, asked for 2 minutes, and I am going to give him 2 minutes. And Senator NUNN asked for 3 minutes; I am going to give him time. Then I will get back to my time.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized to speak for 2 minutes.

Mr. GRAMM. Mr. President, there are many things to praise in this budget, and I want to begin by praising the man who made it happen, and his name is PETE DOMENICI.

I think he has provided great leadership in the Senate, and given the numbers we had to work with, given the disposition of our Members, I do not think anybody can have anything to say about PETE DOMENICI other than to give him the credit he is due.

But I want all my colleagues to understand exactly where we are as we pass this budget. With the adoption of the Snowe amendment, this budget now before the Senate spends \$184 billion over the 7-year period, more on nondefense programs than the budget that was adopted in the House. That is \$184 billion worth of additional non-defense program spending that is going to have to be taken out in conference, if we are going to have any opportunity to have a real cut in taxes for working families, and if we are going to have any real opportunity to provide incentives for growth.

I want my colleagues to know that I am going to vote for this budget. I want to urge every person in the Senate who wants to balance the Federal budget to vote for this budget, and I hope we get a sound vote.

But I want my colleagues to understand that unless we cut this excessive spending out, unless we let working families keep more of what they earn, unless we provide incentives for growth, and unless we balance the budget while doing those things in the final product that will come out of the House Senate conference, I am not going to vote for that budget. I believe we can do these things.

Our House colleagues have shown us that it can be done. And I am hopeful, when we go to conference with the House, that we will look at our mandate from the election, we will look at what our colleagues in the House did, we will take heart and leadership from them, and that we will come back with a budget that is balanced over a 7-year period, that lets working families keep more of what they earn, and that provides incentives for people to work, save, and invest. That is what I favor.

I believe that is what the American people favor. And by passing this budget today, we have an opportunity to begin to make that happen.

I yield the floor.

Mr. DOMENICI. I yield 3 minutes to Senator NUNN.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, first I want to commend my friend from New Mexico, Senator DOMENICI, and my friend from Nebraska, Senator EXON, for handling the management of this bill under very difficult circumstances. I have been in that place many times, and I know how difficult it is and what a challenge it is.

Second, I would like to commend the Senator from New Mexico, Senator DOMENICI, for real leadership in putting on the table for all of us to both contemplate, vote on, and study in the future, and the American people to contemplate, all the untouchables that have not been in budget resolutions before.

This is first time that I have seen all elements of spending on the table except Social Security. It is my view that will have to be on the table at some point in the future. But that one is not on the table today.

I disagree with a number of the priorities in this resolution, and I have voted differently from my friend from New Mexico on a number of amendments because I do believe that we have not earned any tax dividend at this point. I do not believe we ought to have a tax dividend until we really get the budget under control. I think that is essential, and that is a priority. And I think that is what the American people want.

I think moving to reduce taxes before we get spending under control, and before we really earn the dividend, is kind of like going on the wagon by starting off chug-a-lugging a bottle of whiskey. I do not think that is the way to proceed. However, having said that, I do think this budget is in the right direction. I think it moves in the right direction.

I am going to vote for it for that reason, because it does move in the right direction. And moving in the right direction in terms of tackling entitlements, in terms of restraining growth and spending in those programs that have been clearly out of control, as difficult as that is going to be to do, I think the direction is enormously important. It is important for our children. It is important for our grandchildren. It is important for our economy. It is important to increase savings, and thereby investment and productivity, and thereby the real income of the American people over a period of time.

Finally, I think that this direction is enormously important for the credibility of this Congress and the credibility of our Federal Government.

So I commend my friend from New Mexico for real leadership, and I will vote for the final passage of this resolution.

Like the Senator from Texas, I will be watching the conference very closely, perhaps from a slightly different perspective.

Mr. President, again, I rise today to announce my support for the fiscal year 1996 budget resolution. I commend my good friends, Senator PETE DOMENICI and Senator JIM EXON, the chairman and ranking member of the Senate Budget Committee, for their floor management of this bill. Having been a member of the Senate Budget Committee and having worked with Senator DOMENICI on a 10-year balanced budget plan in our Center for Strategic

and International Studies [CSIS] "Strengthening of America Commission," I know how daunting a task it is to produce a plan to reach a balanced unified budget by 2002. I know that my friend PETE DOMENICI had to make many difficult decisions and fall back on many of his own priorities to forge a majority coalition on this bill. This type of leadership is often given sufficient recognition or praise.

I have followed this debate closely. This is a historic moment. This resolution marks the first time the Senate Budget Committee has reported a budget resolution that in my view deals with all the elements on the spending side of the budget that must be addressed to have any hope of balancing the budget. I commend my friend from New Mexico for the courage and the leadership he has exhibited in crafting this resolution.

The most significant improvement over past attempts to balance the budget is the Senate Budget Committee's inclusion of recommendations to restrain significantly the projected growth of Federal mandatory or entitlement spending, which now represents 50 cents of every dollar the Federal Government spends.

For years, Congress and the executive branch have tried to achieve a balanced budget by cutting the defense and domestic discretionary programs that are appropriated by the Congress and signed by the President, and by raising taxes. At the same time these budget efforts time after time allowed the mandatory or entitlement programs, which are on autopilot, to grow faster than inflation, faster than discretionary programs were being cut, and faster than taxes could be raised.

In the 1990 budget summit, half the savings came from cutting the defense budget. While large defense savings were possible due to the end of the cold war—and those savings which were made are still contributing to deficit reduction today—that kind of historic opportunity is a one-shot deal. That agreement predictably did not balance the budget because defense represented at that time 24 percent of the overall budget. As a result of that agreement, defense is only 18 percent of the budget today, and under this resolution it will fall to 14 percent by the end of the century.

Over half the deficit reduction in the 1993 reconciliation bill came from tax increases. Once again, reductions in the growth of entitlements contributed only a small portion of the deficit reduction. Tax increases and defense cuts will never balance the budget as long as the entitlement programs remain unrestrained.

These previous attempts, because they failed to address the largest and fastest growing part of the budget, were virtually doomed to fail. In my mind, our previous attempts to balance

the budget without seriously addressing the out of control growth of spending in entitlement programs were analogous to Bonnie and Clyde robbing parking meters.

Mr. President, this budget resolution finally goes where the money is. Fifty percent of the deficit reduction in this plan comes from reducing the projected growth in spending—not the actual spending levels—in entitlement programs. Compared to CBO's baseline projections, it provides spending reductions totaling \$1.3 trillion over the 7-year period ending in 2002. These reductions are achieved through reductions in two principal areas: entitlements and nondefense discretionary programs.

This resolution recommends that entitlement spending growth be reduced by \$650 billion, that nondefense discretionary spending be reduced \$350 billion, and defense will be reduced by another \$100 billion below CBO's baseline. Due to these reduced Federal expenditures, it is estimated that interest payments on the debt will be lessened by \$200 billion.

Mr. President, over the last few days, many of my colleagues have attempted to amend the resolution to correct what they believed to be flaws in this proposal. I share many of their concerns, and, if I had my way, I would make a number of changes, including:

First, holding the defense budget stable over this period rather than having it continue to decline as called for in both this resolution and President Clinton's budget;

Second, setting a goal of balancing the budget without using the surpluses from the Social Security Trust Fund, even if it takes 10 years rather than 7.

Third, reducing some of the cuts from projected growth in the Medicare and Medicaid programs to make the required reforms more achievable and sustainable;

Fourth, reducing the proposed cuts in Federal education programs to acknowledge that human capital is our most precious resource;

Fifth, restoring some of the proposed reductions in the Earned Income Tax Credit, which is essential in helping low-income working people and in making work more attractive than welfare;

Sixth, mitigating to some extent the proposed cuts to agriculture and veterans programs; and

Seventh, keeping the National Service program alive and viable. This program is proving to be both an important and efficient way of delivering human services, and it is also serving as a catalyst for community service by thousands of American young people.

Mr. President, I will continue to fight to address these priorities as this process continues and we debate the specific details in the reconciliation legislation that will carry out this plan. I also believe that tax expenditures should not be exempt from review as we legislate in the summer and fall.

Balancing the budget requires shared sacrifice, and as we cut spending we should also review revenue-losing tax breaks which may not be justified. For these reasons I supported the Conrad alternative to the Committee-reported budget resolution.

Notwithstanding these reservations, I will vote for the Domenici budget resolution. We will debate the details for months to come, and we could vote and debate forever in search of a perfect solution, but the general direction required is clear. If there was an easy way to balance the budget without cutting spending on popular programs, we would have done it long ago. But that is simply not possible. This plan gives the American people a realistic look at what it takes to balance the budget with spending cuts alone.

I believe this resolution points us in the right direction. Mr. President, most of this debate has focused on specific elements of this plan, but what sometimes gets lost in the debate is the fact that the status quo is not painless either—in fact it is not even sustainable. We simply cannot continue to pile \$200 to \$300 billion in additional debt each year on our children and grandchildren.

I also hope that I will also be able to support the conference report, but that depends on its content. I consider the House's action in beginning a \$1.2 trillion budget cutting exercise by reducing taxes by over \$300 billion over 7 years to be fiscally irresponsible. I am pleased that more than two-thirds of my colleagues voted to overwhelmingly defeat this tax cut in the Gramm amendment, which have made the tax cuts contained in the House passed Contract With America part of this resolution. The House approach is like an alcoholic promising to go on the wagon right after gulping one last bottle of whiskey.

In this resolution, there is a reserve fund that makes the fiscal dividend resulting from enactment of a balanced budget plan available for tax cuts. This dividend was the focus of most of the proposed amendments to this resolution. In my view, the Senate should have adopted the Feingold amendment, which would have applied that dividend to deficit reduction and given us a cushion that would allow us to balance the budget even if the economy does not perform as well as CBO has projected.

The budget resolution contains an invitation to use this fiscal dividend for tax reductions rather than applying it to deficit reduction. I oppose this part of the resolution and I voted against the amendment which strengthened this invitation from may to shall. The Senate will address this question again before any such tax cut passes. If the Senate is unwilling to apply this fiscal dividend to the deficit then I prefer using the dividend to ease the most severe impacts of the spending reductions Medicare, education, and programs for low-income working people,

rather than for tax cuts. My votes on several amendments reflect this. But my first choice was to take a more conservative approach by applying the fiscal dividend to deficit reduction as proposed by the fiscally responsible path in the Feingold amendment.

This budget resolution is tough medicine, and it will be very difficult to carry out some of the reductions called for. I suspect the reductions in the growth rate of spending in Medicaid and Medicare, education, agriculture and other areas that are required if we are to balance the budget will generate more and more opposition from substantial segments of America before the cuts are passed by Congress, and certainly before they are fully implemented. There is also a probability that in cutting projected spending by over \$1 trillion dollars in a 7-year period Congress will inadvertently make some serious errors which will have to be corrected. For these reasons, I believe that reducing taxes by the amount produced in the fiscal dividend would be inequitable and premature until the spending cuts and restraints have been locked in.

I would remind all of my colleagues who believe, as I do, that we should be balancing the budget without using the Social Security surplus, that leaving the fiscal dividend alone and applying it to deficit reduction, as we would have done if the Feingold amendment had been adopted, would also help move us toward the goal of a real balanced budget. Balancing only the unified budget by continuing to borrow the Social Security surplus simply postpones the day of pain when the general fund must repay the Social Security Trust Fund.

The budget resolution before us balances the budget in 2002, including the Social Security surplus. But without that surplus, the deficit in 2002 would still be about \$100 billion. While the exact size of the fiscal dividend would depend on what savings and enforcement provisions were enacted in a reconciliation bill, CBO's previous estimate of the fiscal dividend in 2002 was about \$50 billion. If we had applied that to deficit reduction, we could have cut the deficit in 2002, excluding Social Security, in half, from about \$100 billion to \$50 billion.

Today, the general fund already owes the Social Security Trust Fund \$500 billion. By 2002, when we finally get the budget back in balance including using these Social Security surpluses, the general fund will owe the Social Security Trust Fund \$1.1 trillion. When the baby boom generation starts retiring around the year 2015, just 20 years from today, we will owe the Social Security trust fund about \$3 trillion.

We all know that Congress and the President have to face up to the Social Security problem. We all know the Social Security system is not going to be the same for those who are in their 20s, 30s, and 40s today as it is for people who are already retired and receiving

Social Security benefits today. It cannot be. And the longer we avoid facing up to that problem, the worse the problem is going to be. Balancing the budget without the continued use of the Social Security surplus to finance other Government spending is an absolute necessary first step in that effort. Unfortunately, this budget resolution does not meet that test or even have that goal.

Mr. President, in closing, I want to congratulate Senator DOMENICI for his leadership on this budget resolution. This budget resolution is but the first step of a long and difficult journey, but we are headed in the right direction—the direction that will bring our budget into balance.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank my colleague.

I want to say that, as I look at the Senator from New Mexico and the Senator from Nebraska, I want to say my friend from New Mexico, the chairman of the committee, if I could get his attention, that I think the Senator from New Mexico and the Senator from Nebraska really are a model for this U.S. Senate. You can disagree without being disagreeable. I think we have had a tough and important debate, and I congratulate both of them on it.

I want to say that, from my perspective as a Senator from California who ran because I wanted to fight for the people of California, that this budget as it comes before us now is the broadest retreat on the American dream that I have ever seen in my time as an adult.

I will say that we tried to change this budget. We at every chance said that the tax cuts should go to the middle class, not to the wealthy. We offered broad restorations to education. We tried to make this better. We tried to ease the pain on the seniors, on the students. And I say to my friends on both sides of the aisle that if ever we were here to fight for anyone, should it not be the children? Should it not be the elderly? Should it not be the hard-working middle-class families who will have a tax increase, those who earn \$28,000 a year and less?

So this budget turns its back on those people while maintaining tax loopholes, keeping military spending harmless and, frankly again, retreating from the American dream that I was so fortunate to be a part of in my lifetime.

I hope as this process continues we will have enough votes to turn back some of these priorities. I hope we will bring common sense to the debate in the days that lie ahead.

I will be voting against this budget. If it does anything, it shows the difference between the parties. I think that is good for this country, to see the differences between the parties.

I wish to thank my colleague and again the committee chairman for

working with me, although we have disagreed many times. I think the staff on both sides have just been extraordinary as well as the chairman and the ranking member.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield 2 minutes to Senator D'AMATO from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I am proud to support this budget. Senator DOMENICI and the Budget Committee deserve to be commended. Senator DOMENICI's plan, for the first time, meets what the American people have been asking for—responsible and courageous leadership.

It is not easy to balance the budget. It is not easy to cut those programs, yes, that the people want and get used to. It is not easy to tackle Medicare. But let me tell you something. We were not elected and sent here to do things the easy way. That program will be bankrupt. We owe it to today's seniors and those in the future to protect it, preserve it, to strengthen it. We owe it to our children in the future to give them the opportunities we have had. Unless we achieve a balanced budget and cut spending, that will not be the legacy we leave to them.

There are those who preach fear and divisiveness. I have heard talk already about how this is going to help the wealthy. It seems to me, when we balance the budget and reduce interest costs that make it possible for people to have jobs and opportunity, we are helping America.

I do not believe that the administration or my Democratic friends for the most part have given the kind of leadership that this Nation needs. Criticize, create fear, create doubt, turn their backs on their own reports, a report that this administration came down with, which indicated that Medicare would run out of funds within the next 6 or 7 years.

We have an obligation to move boldly. We are. It is the right time, and it is about time, and I hope we can pass this budget overwhelmingly. I support it.

I commend Senator DOMENICI and all who have worked with him to bring us to this point.

Mr. DOMENICI. I thank the Senator from New York. I yield 2 minutes to Senator ROBB.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. DOMENICI. Senator ROBB would like 2 minutes on my time.

I yield 2 minutes.

Mr. ROBB. Mr. President, if the Senator from New Mexico will yield 2 minutes, I would be very pleased.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, I thank the Chair, and I thank the chairman and the ranking member of the Budget

Committee for their leadership and the long, hard work that brought us to this particular point.

If this were a budget and not a budget resolution, Mr. President, I might take a different course of action. I happen to believe that most of the choices, most of the priorities that we establish in terms of guidelines as to how we get to our destination are not the priorities that I would embrace and, indeed, I have voted with my Democratic colleagues on a number of occasions to try to change those priorities. But we did not prevail.

I believe that Republicans were wrong in 1993, when they felt as strongly as they did about deficit reduction, not to try to assist President Clinton and Democrats. And feeling as strongly as I do about the importance of deficit reduction, I believe it would be wrong for me not to assist with the heavy lifting.

Mr. President, the lifting is going to be very, very heavy. I do not think many of the Members who may be fully supportive of this resolution have considered all of the implications that are ultimately going to have to be considered when making the tough individual choices about cutting specific programs or cutting tax expenditures, raising revenues, whatever the case may be. But I am prepared to assist in that effort. I think it is important that, to the extent we can, we engage in this most important task on a bipartisan basis.

So, Mr. President, I will be pleased to vote for this resolution, notwithstanding significant differences with respect to the distribution of the burden and the pain and a very significant difference with respect to whether or not we ought to have any tax cuts in this measure at this time.

Nonetheless, I applaud the leadership for moving us to this point, for setting a very clear and important goal. I am embracing the destination and not the road as to how we get there, and I am going to work to try to make some course directions as we move down that road.

Mr. President, I thank the Chair. I thank the ranking member as well as the chairman of the Budget Committee for their hard work, and I yield the floor.

Mr. DOMENICI. I thank the Senator for the remarks. And I thank the Senator for the support with the vote today.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have no ill will at all toward some of the Democrats, some of my closest friends and associates, but I have tried to conduct this matter with a sense of dedication but still in good humor. I just want to say that if there are any Republicans who wish to vote against the budget, I will be glad to yield them time if they come to the Senate as quickly as possible.

I yield 2 minutes to my colleague from Rhode Island.

Mr. DOMENICI. I regret to tell the Senator he will have to do it all himself.

Mr. EXON. I so anticipated.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, the fiscal year 1996 budget resolution marks the beginning of the end of an era. There can be no avoiding of the fact that the resolution in many ways lays out a plan for the effective dismantlement of progressive government as we have come to know and benefit from for half a century.

This I believe is a lamentable turn of events in my view, all the more so because I believe we could bring the Federal budget under control by less extreme and less destructive means.

When I came to the Senate in 1961, the political climate was keyed to national circumstances far different from those prevailing today. Most of us had vivid memories, first, of the era of active, interventionist government that resulted from the economic stresses of the 1930's; and second, of the dominant role of the Federal Government in the successful prosecution of our role in World War II, a role which was to continue through the cold war era.

From that basis of a dominant Federal role in opposition to foreign tyranny, there was a natural evolution to the historic role of the Federal Government in greatly expanding our national commitment to social justice at home. This found expression in the civil rights revolution of the 1960's, and in a host of other fields, including health, education, welfare, occupational safety, and environmental protection to name only a few.

To be sure, there were excesses and mistakes that were committed in the name of an activist central government, and their elimination is one of the benefits of the current swing of the pendulum of history back in the direction of less government and less intervention.

But as one who has been privileged to serve here during this remarkable cycle, I want to record the view that there is much that we have done over the past four decades that has made our country a better place, and those accomplishments should not be rejected in a willy-nilly rush to diminish the role of government.

Unfortunately, the budget resolution lays the groundwork for just such an evisceration of progressive government and I, therefore, cannot support it.

I am appalled at the implications of drastic cuts in the international affairs account, presaging a trend to isolationism and withdrawal from a half century of activist leadership in world affairs. This resolution envisions a progressive phasing back of assessed contributions for United Nations peacekeeping, as well as drastic cuts in foreign aid. These are radical and regressive changes and I reject them.

I am likewise dismayed at the assumed reduction in Federal spending for education by as much as \$32 billion over 7 years. This would place at risk or threaten curtailment of a number of worthy programs which have evolved over the past 30 years to assert a Federal interest in this most basic area of public investment. So these cuts too are not acceptable.

I deeply regret also the assumptions underlying this resolution which would curtail the National Endowment for the Arts and Humanities, the Corporation for Public Broadcasting, and AM-TRAK, while at the same time threatening to turn back the clock of post-Watergate reform by abolishing the Presidential campaign financing system. I hope the Senate amendment restoring the funding for this system will prevail.

These are but a few of the programs now in jeopardy in which I have a special interest. In combination with other provisions which likewise cancel out or curtail major elements of the Federal commitment to social justice—provisions such as the Medicare cut-backs and the cut in funding for the earned income tax credit—they serve to demonstrate how negative and regressive this resolution truly is.

The pity is, Mr. President, that much of this programmatic slaughter may be needless. The fact is that it was ordained by a commitment to suspect goals which were dictated by political expediency rather than national selection, namely, the idea that the Federal budget must be brought into exact balance, and the corollary idea that it must be brought into balance in the arbitrary time frame of 7 years.

With all due respect to the leadership of my own party, I must simply say that in my view these goals are specious and should not be the driving force for this sweeping revision of Federal policy.

When I opposed the balanced budget amendment to the Constitution earlier this year, I took the position that the Federal budget is not supposed to be in perpetual balance, but that, as John Maynard Keynes wisely noted, it should remain a flexible instrument of national economic policy, registering a surplus in good times and engaging in stimulative spending in downturns.

The resolution before us puts us on an inflexible course, both in terms of achieving absolute balance and doing so by a date certain. It makes no allowance for all of the unforeseen contingencies, including natural disasters, international emergencies, or economic recessions, that might require us at some point in the next 7 years, to engage in unexpected spending and thus not meet the goal so confidently embraced.

And even if the magical goal were somehow to be reached, there is a respectable body of opinion that warns that the deliberate withdrawal of \$1.3 trillion in Federal spending in the arbitrary timeframe of 7 years could wreak havoc with the economy.

It seems to me that the far wiser course would be to continue a vigorous but more reasoned program of deficit reduction that would not rule out revenue increases and certainly would not exempt defense from further budget cuts. I would generally avoid tax cuts, although I must say that I continue to believe that a more liberal treatment of capital gains would have a beneficial effect in promoting economic growth.

Further, it seems to me that we ought to substitute flexible and rational measures of deficit control for the arbitrary goals which I believe have been too hastily accepted as a basis for a wholesale change of approach of Government. One useful measure is the ratio between the annual deficit and gross domestic product. Just as any prudent household should limit debt in proportion to income, it would make sense for the Federal Government to do likewise with respect to its annual deficit.

For the present, we must act on the basis of goals and assumptions that, while widely accepted, may not be valid. To my mind, the budget resolution takes us in the wrong direction and does so for the wrong reasons. I hope the time will come when others will see the matter in the same light.

OPPOSITION TO CHANGES IN THE EARNED INCOME TAX CREDIT—A TAX INCREASE ON WORKING FAMILIES

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the proposed cut in the earned income tax credit [EITC].

The other day I spoke about this budget, its attacks on Medicare and how it affects senior citizens and their families. Today, I rise to speak about how the reduction in the earned income tax credit will affect their families and their children.

Today, I want to speak about how this is also a fight for the children and grandchildren of the senior citizens who are hit by cuts in Medicare.

In 1993 we dramatically increased the earned income tax credit, which cut taxes for middle and lower income families.

We cut taxes for parents working hard to stay out of poverty and off welfare. The first step to welfare reform is to make work pay. The EITC helps us to make work pay.

If this budget resolution passes we will increase taxes on millions of working parents. What do we say to these mothers and fathers? What do we say to any working family making less than \$28,000 a year?

Who is affected? A mother who makes ends meet by waiting on tables. A mother who counts on every tip, every nickel and quarter left on the lunch counter. A mother who can make ends meet because of the earned income tax credit.

A father who lost a good-paying factory job and lost a piece of the American dream. A father who works a second job just to support his children, but still makes less than \$28,000.

This budget cuts taxes for the wealthy by taking \$21 billion from the EITC and the families who use it. This budget cut will hit over 12 million taxpayers, 199,000 in Maryland alone. For those Marylanders making \$28,000, they will pay \$1,500 in taxes if the EITC is cut.

This is not welfare reform. We cannot tell people to get off welfare and then cut what they will get in a paying job, and cut their Medicaid.

We cannot tell a mother on welfare to take a low-paying job that will be even lower paying if we cut this program. We must reward people who work.

It is time that we returned to the bipartisan spirit of this tax break. Let us return to the support that had President Reagan praise the EITC as, "the best antipoverty and pro-family" measure to ever come out of Congress.

When I spoke the other day on another occasion, I reminded the audience of First Lady Eleanor Roosevelt and how she explained that this is "no ordinary time." This is no ordinary time. It is a time to fight for these families who have worked hard and have earned a break.

Mr. FEINGOLD. Mr. President, I reluctantly voted against the budget resolution, but I believe it does represent a serious, and significant statement on my highest priority: deficit reduction.

My own 82-point plan reduces the deficit further and faster than this budget resolution does, and I cosponsored and voted for an alternative on the floor of the Senate that reduces the deficit more and achieves true balance sooner than the budget resolution. Nevertheless, the budget resolution does achieve significant deficit reduction, and if nothing else, it clearly demonstrates that we do not need to change our Constitution in order to balance the Federal books.

The purpose of a budget resolution is to establish the boundaries within which we formulate the details of the Federal budget. The most significant flaw in this resolution is that those boundaries effectively preclude us from going after three sacred cows: tax cuts, tax loopholes, and the defense budget.

If those three areas had been left on the table, we could have taken a much more balanced approach to deficit reduction, lessening the severity of the cuts to those on Medicare and Medicaid, farmers, students, veterans, and others, while also eliminating the deficit by the year 2000, not 2002 or 2004 or 2008.

There were some bright points to the resolution. One important improvement the Senate resolution makes to the one passed by the House is the elimination of what has been called the crown jewel of the Contract With America: the fiscally irresponsible \$350

billion tax cut. In a resounding, bipartisan vote of 69 to 31, the Senate rejected an amendment to implement that reckless policy.

There are also a number of provisions assumed in the resolution that rightly slate outdated, wasteful, or low priority programs for cuts or elimination.

I was particularly pleased to see the Helium program terminated under this budget resolution. I introduced legislation on the first day of the 104th Congress to kill the national helium program, and this budget resolution is an important step in eliminating this vestige of the 1920's.

Though the broad budget outlines established by this resolution are skewed, I very much hope we will approach the details of the budget with the kind of bipartisan spirit demonstrated by the strong, bipartisan vote defeating the reckless House Republican tax cuts.

If the Senate takes that approach to the specific budget bills, and especially the reconciliation legislation that will determine how cuts are made to Medicare and Medicaid, we may be able to fashion a sensible budget that achieves the significant deficit reduction envisioned in the resolution without harming the most vulnerable.

AMENDMENT NO. 1150

Mr. SARBANES. Mr. President, I rise today to express my deep regret that the amendment offered by Senators ROTH and LIEBERMAN seeking to protect one of the last pristine wilderness areas of this Nation, the Arctic National Wildlife Refuge [ANWR], was defeated.

In 1980, the 96th Congress approved the Alaska National Interest Land Conservation Act. This important law, which set aside over a million acres of Federal land for national parks, wildlife refuges, and other conservation areas, prohibited oil and gas development in 1.5 million acres of ANWR's coastal plain, leaving the fate of this land in the hands of future Congresses.

Since 1980, the Congress has vigorously and consistently expressed its opposition to oil and gas leasing in the biological heart of the Arctic Refuge. This area on the coastal plain of ANWR, often referred to as the "American Serengeti," is home to about 165 different species of animals. It is the calving ground for the Porcupine Caribou herd, the denning area for the Beaufort Sea polar bear population, and the nesting habitat for a variety of waterfowl and shorebirds, including snow geese, tundra swans and black brant.

There is little doubt that extensive development of this sensitive wilderness area would have a negative impact on the vast wildlife resources located there. A 1987 report prepared by the Department of the Interior and submitted to the Congress stated that oil development in ANWR would result in long-term changes in the wilderness environment, wildlife habitat, and Native subsistence hunting opportunities.

In my view, it is critical that we as a nation do not allow the destruction of one of our last remaining unprotected ecosystems. The Republican budget proposal recommends that the Federal Government lease 8 percent of ANWR for oil and gas development. While this backdoor assault on the Arctic Refuge claims to affect only a small portion of the wilderness area, oil development activity will affect the entire coastal plain. In addition, the expectations for oil and gas finds are excessive. The 1987 Interior Department report found there to be only a one in five chance of finding an economically viable oil field on the coastal plain.

Wilderness areas constitute only 2 percent of all land in the United States. If we fail to protect the integrity of the Arctic Refuge now, its wealth of natural beauty and treasures will be lost to future generations. This is too precious a resource to squander.

AMENDMENT NO. 1166

Mr. LAUTENBERG. Mr. President, this amendment was submitted on behalf of myself, Senators ROCKEFELLER, MURRAY, HARKIN, WELLSTONE, REID, DASCHLE, and MIKULSKI.

The Senate considered this amendment yesterday. Mr. President, this amendment could not be more simple. It closes the "Ex-Patriots" billionaires tax loophole and takes the money and restores some of the drastic cuts in veterans programs contained in this resolution. I call this amendment—take from "ex-patriots and give to American patriots."

This is the same amendment that I offered in committee. While this amendment failed on a tie 11 to 11 vote, it did enjoy bi-partisan support. The distinguished junior Senator from Maine [Senator SNOWE] voted for my amendment.

Mr. President, we have now all heard about this so-called "Benedict Arnold" tax loophole. This loophole allows billionaires and multi-millionaires who have made their fortunes in this country to renounce their citizenship and avoid paying Federal taxes like estate taxes and flee to some Caribbean island with their money.

This is no minor loophole. It costs the Treasury more than \$3 billion over 10 years. And as a recent story in Fortune Magazine showed, wealthy individuals deliberately look at using this loophole to avoid paying taxes.

My amendment will close this loophole. And it will take the proceeds and put them into restoring the massive cuts in veterans programs contained in the Republican budget.

This Republican budget cuts discretionary spending on veterans programs by a whopping \$26 billion over the next 7 years. But this is only discretionary spending on items like VA hospitals and outpatient clinics.

This budget also cuts veterans' entitlement programs by \$10 billion over 7 years. That is a \$36 billion slap in the face to our Nation's veterans.

What kind of reward is this for our Nation's veterans? Isn't it ironic that

on the 50th anniversary of V-E Day, we are destroying the VA system for those heroes who saved us from Fascism?

The Republican budget will force cuts in veterans' pensions, payments to those with service-connected disabilities, the GI bill, and numerous other health and benefit programs.

My amendment will help alleviate some of these cuts. It will not restore all of the funding but it will make a start in trying to cushion the coming blow.

Mr. President, the men and women who have put their lives on the line for this country deserve better. They deserve to be treated with respect.

Their benefits should not be cut while we are providing tax cuts for the rich. The Republican budget represents the wrong priorities.

Mr. President, I want to deal with one issue up front. Republicans may argue that we passed an amendment in the Budget Committee to close the Benedict Arnold tax loophole.

The fact is we did not. We passed a nonbinding sense-of-the-Senate amendment concerning this issue. However, we did not change any numbers in the resolution to force the Finance Committee to in fact close this loophole.

So the Finance Committee can do as it wishes regarding this tax loophole. It will not be required to do this in any way. So if Republican say that they already voted to get rid of the loophole, they are not shooting straight with the American people.

This amendment again poses the same question to the Senate as other amendments. The question is, "Whose side are you on?"

Are you on the side of billionaires who revoke their citizenship to avoid paying taxes? Or are you on the side of our Nation's veterans—the men and women who have fought for their country—who have laid their lives on the line to defend freedom?

I stand firmly with American Patriots not ex-patriots.

I hope my colleagues will do the same. The veterans of our country deserve much better than the cuts contained in this Republican budget.

(The following statement was inadvertently omitted from the RECORD of May 24, and appears here at the request of Mr. ROCKEFELLER.

AMENDMENT NO. 1166

Mr. ROCKEFELLER. Mr. President, I join with my colleagues, Senators LAUTENBERG, DASCHLE, MIKULSKI, WELLSTONE, MURRAY, HARKIN, and REID, in cosponsoring an amendment to the budget resolution, Senate Concurrent Resolution 13.

This amendment—known as the "Ex-Patriots to Patriots" amendment—would assume the repeal of the tax loophole that enables U.S. citizens to renounce their citizenship to avoid paying U.S. taxes. This would generate \$3.633 billion in revenues for the Treasury over 10 years, from 1995 to 2005. Our amendment would restore funds from this revenue—\$1.7 billion over the 7

years covered by the resolution—to Function 700, veterans programs, so as to offset some of the \$15.4 billion in reductions contained in the budget resolution.

Mr. President, emigration and expatriation are fundamental rights of all Americans. They are guaranteed by the American Constitution and international human rights laws. Expatriation to avoid taxation is permitted by the Internal Revenue Code of 1986.

We believe this provision in the Tax Code should be repealed for several reasons. First, it is unfair to all Americans who work hard every day to support their families and who pay taxes to support their country. It offends our sense of justice that some of the wealthiest Americans—who can afford to pay taxes, whose fortunes blossomed in the freedom and bounty of our Nation—can take such a drastic measure to avoid paying their fair share. Second, at a time when we are all committed to reducing the Federal deficit, the Treasury losses significant revenue because of the actions of the approximately 25 individuals a year who choose expatriation to take advantage of this tax loophole. And finally, if these funds were available, they could be targeted toward needed programs and services which are in jeopardy—and which benefit far more than 25 people.

Mr. President, the matter of this "Ex-Patriots" tax loophole has come before the Senate earlier in this session of Congress and is on the table again. We passed the "Ex-Patriots" provision as part of the small business health care deduction bill in March, but it was dropped in the House-Senate conference in April. Later, the Senate voted again to repeal this tax loophole, this time by a vote of 96-4 in a sense-of-the-Senate resolution. And on May 15, Senate Concurrent Resolution 13, as passed by the Budget Committee, does repeal this tax loophole for wealthy Americans. However, it does not go far enough, it does not target any of the revenue for veterans' programs.

On May 11, Senate LAUTENBERG wisely linked the two issues—repeal of the expatriates' tax break and restoration and funding to America's true patriots—in Budget Committee action. The tie vote of 11-11 demonstrated the bipartisan support for changing the tax code and helping maintain veterans' programs. Our amendment links the repeal of the tax loophole for expatriates to the restoration of funds for America's true patriots—her veterans. It does so because approximately \$15 billion in reductions for veterans programs—including health care services for service-connected veterans and poor veterans—are on the chopping block. As ranking minority member of the Senate Committee on Veterans' Affairs, I believe the patriotism demonstrated by the men and women who have worn our country's uniform—those who put themselves in harm's way, those whose lives have been irrev-

ocably changed by injuries sustained in the line of duty, those who lost comrades in the heat of battle—speaks for itself. The repeal of the expatriates' tax loophole makes sense, and our veterans deserve no less.

Let us remember once again, in this 50th anniversary year of the end of World War II, the persons who enlisted in service to their country when tyranny threatened to obliterate peace and prosperity for generations to come. Science fiction writers and filmmakers have conjured up images of the unimaginable—what the world would have been like had our soldiers and sailors not made the world safe for democracy, safe for their children and grandchildren. Thankfully, many of these men and women are alive and well. But while many have their memories, their honor, and their dignity, they may not have their health or the material wealth with which to purchase the care they need.

Mr. President, I want my colleagues to understand some of the ways the underlying budget resolution, as reported by the Budget Committee, will affect the people who use the VA health care system. Under the resolution, VA would be forced to operate at a level below current services. In human terms, almost 150,000 eligible veterans would be denied inpatient and outpatient care in 1996 alone, and almost 1 million veterans would be denied care in 2002. In terms of VA's capacity to provide a full range of health care services nationwide, the equivalent of 5 VA hospitals would have to be shut down in 1996, and 35 VA hospitals would have to close their doors in 2002. In the first year of implementation, 8,200 VA health care professionals would lose their jobs, and by the end of this 7-year period, 53,000 VA medical facility employees would lose theirs.

Another equally disturbing effect of the Budget Committee's action would be the cut in VA research programs of \$15 million and 142 FTEE. This amounts to 10 percent of all VA research projects, or 150 fewer medical research projects each year. VA research is geared toward some of the special illnesses and disabilities which affect veterans, among them blindness, posttraumatic stress, and spinal cord injury. These and other subjects of VA research endeavors—everything from Alzheimer's disease to heart disease to women's health—also benefit the general population by finding the causes of disease and aiding in developing the best diagnostic, treatment, and preventive methods. Today's research results are tomorrow's cures. By eliminating the opportunity for our Nation's medical professionals—VA research is conducted by VA clinicians and researchers and also by those from our Nation's medical schools which are affiliated with VA medical centers—we cut off a source of knowledge that is crucial to the health of our Nation's citizens.

Last, Mr. President, under the resolution, VA's construction program would be affected beyond repair. In

fact, the program would be decimated. This program, which upgrades and maintains VA's \$25 billion physical plant infrastructure, should cease to exist. All 200 pending projects, totaling \$3.4 billion, would have to be canceled. These are not new projects, new hospitals, or new buildings. These are essential modernization projects. They are essential because 65 percent of VA medical centers, or 114 hospitals, are at least 30 years old. And 73 percent of VA hospital, domiciliary, and nursing home beds, that is more than 74,000 beds, do not comply with patient privacy standards. In this day and age, no hospital should have more than two beds per room, congregate bathing facilities, or inadequate space. If we suspend all work on these projects, VA's plans to upgrade its patient environment will never be realized.

Mr. President, because this amendment is budget neutral, there is every reason why we should use these new funds to minimize the negative impact on veterans' programs of the Budget Resolution. The link between the two, thoughtfully and rightfully, proposed by Senator Lautenberg should be adopted by the full Senate. It is within our power to do so, and it is the right to do. As ranking minority member of the Veterans Affairs Committee, I urge my colleagues to support our amendment.

(The following statement was inadvertently omitted from the RECORD of May 24, and appears here at the request of Ms. MIKULSKI.)

AMENDMENT NO. 1166

Ms. MIKULSKI. Mr. President, I rise in support of the amendment offered by Senators LAUTENBERG and ROCKEFELLER that would partially restore funding for VA programs by closing the ex-patriot tax loophole.

The ex-patriot tax loophole is a provision of the Internal Revenue Code of 1986 that allows billionaires to renounce their citizenship and avoid paying Federal taxes. By closing this loophole, an additional \$3.6 billion will be added to the Treasury between 1995 and 2005. I think it is appropriate, Mr. President, that we apply the revenues generated by closing the ex-patriot loophole to help restore funding for veterans programs.

In supporting the Lautenberg/Rockefeller amendment, I rise in defense of the GI Joe generation—the World War II generation—our fathers who fought on the battlefield overseas and our mothers who fought on the homefront here in our communities.

Those wonderful Rosie the Riveters who kept the United States of America running while the men fought for democracy around the world.

These are the women—the Rosies—who made sure that not only the schools and businesses operated, but that we built airplanes, mobilized our defenses.

Mr. President, these are the men who fought from the shores of Normandy to Iwo Jima. America's veterans fought to

save Americans; they fought to save Western civilization; and they fought to save the very principles that this country was founded upon.

And when the war was over, the GI Joe generation went back home to raise their families and contribute to the greatest prosperity that this country has ever known.

Mr. President, we would not be here as a nation today, we would not be a superpower today, if it had not been for the GI Joe generation.

We just commemorated V-E Day. In a few months we will commemorate V-J Day and the end of World War II. And now, here we are on the eve of Memorial Day.

And, how are we remembering these gallant men and women? With our thanks, with our commitment, with our compassion?

No, Mr. President. With this budget resolution, we are telling the GI Joe generation that promises made are not promises kept. We are telling these brave men and women that we intend to cut VA medical care by more than \$5.5 billion over the next 7 years.

What we are telling our mothers and our fathers is that we are going to close 35 VA medical centers and that we are canceling 200 medical construction projects needed to bring existing facilities up to current health delivery standards.

Mr. President, this budget resolution will force the VA to eliminate 53,000 full-time jobs including physicians, nurses, lab technicians, x-ray technicians, and mental health counselors.

Treatment will be denied to over 1 million patients, including deep reductions in patient visits for primary care, acute medical and psychiatric care, treatment for the chronically mentally ill, post-traumatic stress disorder, cardiovascular disease, and extended care.

In addition, this budget resolution adds insult to the injury we would inflict on our veterans. By forcing the elimination of almost 1,000 VA jobs in benefit services, the VA claims backlog will increase from 500,000 to over 1 million claims. Having served on the front lines, we will now ask our veterans to stand in line for 2 to 4 years in order to receive their benefits.

Finally, this budget resolution would limit future benefits for disabilities to those resulting directly from a veteran's performance of military duty, would phase in higher veteran prescription copayments, and increase the amount a servicemember must contribute in order to be eligible for benefits under the Montgomery G.I. bill.

Mr. President, we have gone from the New Deal and the Fair Deal—to the raw deal in this budget. I urge my colleagues to honor our veterans this Memorial Day with more than parades, plaques, and platitudes. Let us honor the GI Joe generation with our gratitude and our commitment. Let us stand and fight for them, the way they fought for us.

I urge my colleagues to vote for the Lautenberg-Rockefeller amendment.

AMENDMENT NO. 1179

Mr. McCAIN. Mr. President, earlier today, the Senate adopted an amendment, numbered 1179, proposed by Senator LEVIN, to express the sense of the Senate that overhead expenses of defense agencies should be reduced in fiscal year 1996 by at least 3 percent. I supported that amendment.

With the serious and continuing decline in the defense budget, it is imperative that every defense dollar be spent wisely. Cutting back on overhead expenses by 3 percent, or even more, is necessary to ensure that more of our scarce defense resources will be available for high-priority military requirements. Because the level of defense spending provided in the fiscal year 1996 budget resolution is, in my view, seriously inadequate to meet our national security needs, I supported the amendment to minimize low-priority and wasteful administrative expenses of the Department of Defense and defense agencies.

However, because of the rather vague language of the amendment, there may be some confusion as to its intent. Let me state my understanding of the content of the amendment.

The amendment merely expresses the sense of the Senate that unnecessary overhead costs be reduced by 3 percent this fiscal year. The amendment makes no change whatsoever in the functional totals for National Defense, function 050, nor does it reduce the total amount of discretionary spending available for defense in fiscal year 1996.

It is my understanding that, since the amendment did not explicitly reduce either the defense functional totals or the discretionary spending cap for defense, savings achievable by reducing overhead expenses will remain available for defense programs. Certainly, this understanding was central to my support for the amendment.

I will work to reduce the overhead expenses of all defense agencies and departments, as I will do for all Federal agencies. Unnecessary expenditures of taxpayer dollars, in whatever account, should be eliminated. However, any savings from reduced overhead, in DOD may, under this amendment, be reallocated to other defense programs. In my view, such savings must be used to fund force modernization, readiness, and quality of life programs which are inadequately funded under the Clinton administration defense budget proposals incorporated into this resolution.

Mr. LEVIN. Mr. President. I cannot support Senate Concurrent Resolution 13, the congressional budget resolution which has been presented to the Senate by the Republican majority. That budget proposal which the Senate will likely approve today, has been described by our Republican colleagues as balanced in the year 2002 although it will not be. It relies heavily on surpluses in the Social Security trust funds to achieve balance. In fact, in 2002, there will remain, under the terms of the budget before us, a more

than \$113 billion deficit, masked by the use of the Social Security trust funds. This is one crucial reason that I supported the Conrad substitute which would have reduced the deficit even farther than the Republican budget by 2002 and which is truly balanced, without the use of Social Security funds, by the year 2004.

The Republican proposed budget resolution before us is unbalanced in another important way. The budget blueprint penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide for a tax reduction which will benefit mostly the wealthiest of Americans. The budget before us has its priorities wrong. It is simply a question of fairness.

The Conrad substitute and the Bradley substitute, each while not the budget in every respect that I would have crafted, reflected a more equitable set of priorities than the Republican budget.

One of the most inequitable aspects of the Republican proposal before us is that to pay for tax cuts which will principally benefit the most well off among us, it raises taxes on working families. The proposal to cut back the earned income tax credit for working families making less than \$28,000 per year would, for instance, raise taxes by \$354 on a single parent with two children making only \$8,840 a year. That is minimum wage.

The earned income tax credit has a long history of bipartisan support. President Reagan called the EITC, "The best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress." The EITC has played an important role in providing incentives to keep people working who are struggling to get on the lowest rungs of America's economic ladder and to stay off the welfare rolls.

The budget resolution before us aims a \$21 billion tax increase at the working families. In Michigan, this means a \$457 million tax hike over 7 years on nearly 316,000 hard-working taxpayers making less than \$28,000 a year. Over the next 7 years, they will pay an average of nearly \$1,500 more.

While working families making less than \$28,000 pay more, there is no effort in this budget to control the growth of corporate tax deductions, no effort to restrain the growing tax breaks for the largest and wealthiest among us.

The Republican budget also hits our senior citizens very hard. Medicare would be cut by \$256 billion, by far the largest Medicare cut in history. It is the most vulnerable who are hit hardest. Nearly 83 percent of Medicare benefits go to beneficiaries with incomes less than \$25,000. Two-thirds are below \$15,000. Only 3 percent go to individuals or couples with incomes in excess of \$50,000.

I supported the Rockefeller amendment which would have restored \$100 billion for Medicare to the budget,

without changing the target date for a balanced budget, and without increasing the deficit, by cutting funds the Republicans have earmarked for a tax cut for the wealthiest among us. The Rockefeller amendment was also defeated on a near party line vote.

Another \$175 billion, under the Republican budget, is cut from Medicaid. Many people don't realize that 70 percent of Medicaid costs are long-term care for the elderly and the disabled. Many middle-income elderly wind up relying on Medicaid for nursing home and other care after their resources are expended.

The Conrad substitute, which I supported, provided more funds for Medicare and Medicaid, reduced the deficit by more than the Republican budget does by 2002, and would have balanced the budget honestly without using the Social Security trust fund to mask the real deficit.

Another way in which the Republican priorities are wrong is that in order to pay for a tax increase for the most well-off among us, they have cut funding for college loans and educational improvement. This is perhaps the most short-sighted aspect of their budget proposal. Investment in the education of our children is investment in America's future. There are few ways to better and more efficiently spend our dollars than educating America's future generations.

The Republican budget before us would increase college loan costs for four million students each year, by eliminating the in-school interest subsidy. The average student could pay \$2,000-\$3,000 more for his or her education and an additional 1 million college students could lose their financial aid or have their aid drastically reduced under the plan to freeze Pell grants.

I supported the Harkin-Hollings amendment which would have used funds which the Republicans have reserved for a tax cut for wealthier Americans to restore \$40 billion in funds for affordable student loans and for better schools. That amendment which was rejected on a near party line vote would have provided the additional funding to invest in the education of our children without adding to the deficit or changing the target date for a balanced budget. The Conrad substitute which I also supported would include more funding for education and would balance the budget without using funds from the Social Security trust fund as the Republican budget does.

The majority also made clear their intentions when they rejected the Boxer amendment on Wednesday. That amendment, which I supported, would have assured that any tax cut be targeted to middle-income people. The Boxer amendment was defeated on a near party line vote.

Mr. President, the issue before us is not whether the Federal budget should be balanced in years ahead. The issue is

how we do that. What are the priorities and who bears the burden. I believe that the priorities in the budget which our Republican colleagues have proposed are wrong. They place the burden squarely on the backs of the elderly, students in school, and working families, while cutting taxes for the most well off. That budget is simply not fair. And, Mr. President, it fails to get the job done. It continues to use the Social Security trust fund to hide the real deficit.

I have supported many amendments aimed at improving the budget resolution, making it more fair, without affecting the deficit reduction. Virtually all were rejected by the Republican majority along nearly straight party lines. I cannot support the resolution before us.

THE BUDGET RESOLUTION AND THE  
AGRICULTURE BUDGET

Mr. WELLSTONE. Mr. President, I would like today to make a very simple point. It is a point that I and other of my colleagues have been making over the course of recent weeks since the "Chairman's Mark" of this fiscal year 1996 budget resolution was issued. My point is this. The cuts to the agriculture category of spending in this budget resolution will cause significant harm—harm both to rural America and to low-income Americans throughout the country. That is why I have been voting for a number of amendments to reduce the size of the cuts to agriculture spending in this resolution.

As my colleagues know, the resolution proposes dramatic cuts to the agriculture category of the Federal budget. It proposes cuts of \$28 billion over 5 years to the agriculture category, and suggests cuts of \$45 billion over 7 years.

Mr. President, these cuts will seriously reduce farm income, and they will damage our rural economy. They will drive down agricultural land values, and they will diminish conservation benefits that are important to our quality of life—both in the present and in the future. Reductions of this magnitude will take from \$380 to \$400 million from farmers in my State over just 5 years. Furthermore, if we pass cuts this dramatic, we will devastate nutrition programs such as food stamps, the WIC Program, and the Child Adult Care Feeding Program.

Cuts to nutrition programs are contained in the same budget category as cuts to farm programs. As a result, it is clear that reductions as drastic as those in this resolution—\$28 billion over 5 years, to be found by the Agriculture Committee—will pit struggling farmers against low- and moderate-income families for increasingly scarce Federal dollars.

We all support Federal deficit reduction. Every farmer knows the value of lower interest rates, which would be one result of Federal fiscal responsibility. Indeed American agriculture and rural America have contributed a heavy share to deficit reduction. They

will continue to do their share to reduce the deficit, and they will do so willingly.

But why must this budget impose the most pain on those for whom it will be most difficult to bear? Why are we not cutting more unneeded military and corporate-welfare spending? Why are we not eliminating lucrative tax breaks for special interests? Why are we, in fact, considering a tax cut for wealthy Americans? This resolution makes the wrong choices and takes our country in the wrong direction.

Mr. President, now is not the time to abandon rural America or the nutritional needs of struggling families. I share with the President and the Secretary of Agriculture a desire to have a real debate on a real 1995 farm bill—not just a budget-cutting exercise. There are exciting prospects for rural America, and we are at a crucial historic moment for the social and economic health of our rural communities. We cannot simply slash and burn in such an important area of Federal policy and the Federal budget.

Mr. BYRD. Mr. President, as I pointed out in my remarks earlier this week, this is not the first budget resolution to project a balanced budget. In fact, it is the fifth budget resolution to do so. The budget resolutions of 1980, 1981, 1982, and 1991 also purported to balance the Federal budget. The latest of these prior budget resolutions, 1991, was passed by both Houses of Congress after the 1990 Budget Summit was completed. That budget resolution conference report (101-820) purported to balance the Federal budget over a five-year period without using the Social Security surplus. In fact, for the fifth year of that budget resolution—fiscal year 1995—the 1991 budget resolution conference report showed a surplus of \$20.5 billion without using the Social Security surplus.

As has been noted repeatedly during the debate on the pending budget resolution, it does not balance the budget even at the end of seven years without using the Social Security surplus. In other words, the budget resolution before the Senate purports to balance the Federal budget in the year 2002 and, in fact, shows a surplus in that year of \$1.3 billion, but only does so by using the Social Security surplus to mask the true deficit. The committee report on page 5 states that if one does not use the Social Security surplus to mask the deficit, there will in fact be a deficit of \$113.5 billion in the year 2002.

As I also noted in my earlier remarks, all of the previous efforts to achieve a balanced Federal budget, while being undertaken based on the best information available at the time of passage of the budget resolutions that purported to balance the budget, nevertheless failed to do so. This is because human beings cannot accurately predict the future and, therefore, cannot accurately project inflation, interest rates, revenues, etc., for a period of even one year, much less for a period of

five years or seven years, as the pending budget resolution attempts to do.

Having said that, however, I again applaud the chairman of the Budget Committee, Senator DOMENICI, for his efforts to reduce the Federal deficit by as much as \$1 trillion over the next seven years.

I do not agree in a number of areas with the specific proposals contained in the pending budget resolution. For example, the budget resolution proposed by the Budget Committee would not make any cuts in military spending over the next seven years, but would cut non-military discretionary spending by \$190 billion below a freeze, or \$300 billion below the amounts contained in the President's budget. This amounts to an overall non-military discretionary spending cut of almost one-third. Further, the existing hold-harmless provisions under the Budget Enforcement Act would be eliminated, thereby jeopardizing even the reduced funding levels for non-military discretionary spending contained in the resolution. Additionally, emergency spending in the future, in order to be exempt from the discretionary caps, would require 60 votes in the Senate.

For these reasons, plus the fact that this resolution would take a so-called "fiscal dividend" of \$170 billion and apply that phantom dividend toward a massive tax cut for the wealthy, I shall vote against the pending budget resolution.

In doing so, however, I am not unaware of the fact that we must continue our efforts to achieve a balanced budget just as quickly as is prudently possible. But, we must do so in a way that is fair and in a way that does not negatively impact on the overall economy.

I believe that the alternative budget by the Senator from North Dakota [Mr. CONRAD] which I cosponsored, laid out a far superior blueprint for balancing the Federal budget by the year 2002 (if one uses the Social Security surplus to offset the deficit), and by 2004 without using the Social Security surplus.

Under the Conrad amendment, which I was pleased to co-sponsor and for which I voted, non-military discretionary spending would be frozen over seven years. This would have amounted to an increase of \$190 billion above the committee-reported budget resolution. Medicare would have been reduced by \$156 billion, or \$100 billion less than under the committee-reported resolution. No tax cut would have been provided for under the Conrad amendment, rather \$228 billion in additional revenues would have been achieved through the closing or tax loopholes for the wealthy and big corporations. Four trillion dollars was projected to be spent on tax preferences over the next seven years. The Conrad amendment would have limited the growth in such preferences by \$228 billion, or 5.7 percent. In other words, even under the Conrad amendment, tax preferences would have still grown at the rate of inflation plus one percent.

For all of these reasons, the Conrad amendment was, in my view, a far more rational, fair, and even-handed approach toward balancing the Federal budget. It would have removed many of the deficiencies in the committee-reported budget resolution by restoring funding for investments in the nation's future through discretionary spending on physical and human infrastructure, and it would have been far less devastating to the nation's elderly and those who could least afford to take cuts necessary to balance the Federal budget. Rather, it required those who are the wealthiest in our nation to pay their fair share.

Finally, the Conrad alternative budget proposal proved the point that I have made repeatedly during debate on the constitutional balanced budget amendment—namely, that Congress does not need a constitutional amendment to enable it to balance the Federal budget. Rather, as I have pointed out, the Conrad amendment did all that is humanly possible in attempting to balance the Federal budget based on the best information available at this time in a fair, responsible, and even-handed way.

It is for these reasons that I voted for the Conrad "Fair Share Balanced Budget Proposal" and why I shall vote against the committee-reported budget resolution.

FUNCTION 150

Mr. McCONNELL. Mr. President—

Once upon a time the oceans were moats around our bastions. Once upon a time it was a miracle to travel round the world in 90 days. Now it is done in as many hours. Once upon a time we were a comfortably isolated land. Now we are unavoidably the leader and the reliance of freemen throughout this free world. We cannot escape from our prestige nor from its hazard \* \* \* There is no longer such a thing as isolated security.

In 1949, when the distinguished chairman of the Foreign Relations Committee, Senator Arthur Vandenberg, made these remarks he was urging his colleagues to ratify NATO. He made his case before a reluctant Senate, one weary of the costs of war in blood and treasure. But, Vandenberg understood that the defense of our Nation and the conduct of its foreign policy were the unique responsibilities of the Federal Government. He persuaded his colleagues not only to support NATO, but pay the costs of containment spelled out in the Truman Doctrine and the Marshall Plan.

Senator Vandenberg was not indifferent to his colleagues caution. He took note of their objections—he understood that many of President Truman's initiatives, and NATO in particular, were considered by some a sharp departure from our historic foreign policy of nonentanglement in the affairs of others.

Senator Vandenberg was a Republican who closely cooperated with a Democratic President and his administration. That bipartisan cooperation

secured the foundation for treaties and alliances that continue to guard our interests to this day. That cooperation rebuilt Europe yielding trade, prosperity, and stability.

Today, the challenge is to rebuild Armenia and Ukraine, not Belgium and France. Our challenge is to include Poland and the Czech Republic and other nations in a new European security alliance.

Our challenge is a choice much like that faced by the Senate in 1949—to provide the resources to support American resolve, to secure American interests.

Today, the choice is to advance democracy and free markets or retreat in our fight against the threats of international terrorism, nuclear proliferation, crime, and narcotics. Today, we win exports, jobs, and partners in peace or we lose to ethnic genocide, trade wars, terrorists, and tyrants.

I am not so naive as to believe the choices we face are simple and stark. In some ways, if the choices were crystal clear, absolutely obvious, support for foreign aid and our global role would be much stronger. But it is the murky ambiguities of this day and age that give rise to both confusion and a general apathy about our place in the world. And, it is that confusion that risks our isolation.

In his State of the Union Address in January 1945, President Roosevelt issued a sharp warning to the Nation. "Let us not forget that the retreat to isolationism a quarter of a century ago was started not by a direct attack against international cooperation but against the alleged imperfections of the peace."

Every one of us has been critical of the imperfections of foreign aid. Every Member has expressed opposition to waste, fraud, and abuses. A majority could identify programs, embassies, and consulates which could be shut down.

But, the costs of these imperfections should not be our international leadership. We must not pay the permanent price of retreat from the world, because we were troubled by the inefficiencies or problems in our foreign aid program.

Foreign aid must be fixed. It must more clearly serve our national political, economic, and security interests. The public must understand exactly what we do with the 1 percent of the Federal budget foreign aid expends.

Like many of my colleagues, I hear from constituents who are uncertain about why we have a foreign aid program at all. To each of them, I offer my firm commitment that we will reduce spending by eliminating unnecessary programs, consolidating responsibilities, and assuring we only spend our spare resources where we can achieve concrete results.

I believe foreign aid is an important tool essential to maintaining our leadership around the globe. We cannot preserve, let alone promote, our interests for free.

And, why should that matter. First, we are a compassionate nation by tradition; in fact it is one of our finest traditions as exemplified by the outpouring of support for Oklahomans. But for the moment let's set aside altruistic motives—set aside what I like to call the CNN syndrome—where they broadcast a famine, funds will naturally follow.

Effective foreign assistance serves our interests. Let me review what I think we lose by the cuts proposed in the budget resolution.

First and foremost, the budget resolution assumes we will cut nearly \$800 million from the trade promotion activities. Programs at the Export Import Bank, OPIC, and the Trade Development Agency are not lining the pockets of foreigners. These are programs which directly affect American jobs and exports.

Over the past 2 years Ex-Im has supported over \$32 billion in exports and 300,000 jobs. In key sectors, such as power, telecommunications, and major construction, Ex-Im financed accounts for close to 30 percent of all new sales to developing countries and 15 percent of all U.S. production. In high growth developing markets, Ex-Im is financing anywhere from 10 to 40 percent of all U.S. capital goods.

That is why the Coalition for Employment through Exports is supporting an increase in the Function 150 account—a Coalition that is a broad based organization of exporters, labor unions, and State governors enjoying substantial bipartisan support. That is why I have heard from bankers and businessmen across the country supporting an increase in the Function 150 account. They understand that this is about American jobs, American exports, American income.

But there are other constituents who are concerned about the budget resolution cuts. The resolution assumes all aid to Eastern Europe and the Baltic nations will be zeroed out. Let me tell you what that means for just one country—Poland. After considerable effort by Congress, I think the administration has turned the corner and made the commitment to expand NATO. Poland is clearly first in line of the potential entrants. Just as the point where we are likely to make this offer, we zero out military assistance and training key to the effective integration of their forces.

Criteria under consideration for admission to NATO is civilian control of the armed services and transparency of the defense budget. Here too, we would be cutting off parliamentary exchanges, expanded IMET and democratization initiatives key to meeting these admission standards.

The budget resolution also assumes we will cut our program to the NIS from nearly \$800 to \$100 million. Just at the point when we are finally shifting emphasis from Russia to the other republics, we gut the program. Armenia and Ukraine are important part-

ners in the region. Millions of Americans trace their roots to these countries—nations which deserve our support as they struggle down the perilous road of economic and political reforms. For the benefit of some of my colleagues who may not know about this constituency, let me offer a few statistics drawn up by the census bureau. Central and Eastern Europeans constitute: 18 percent of Pennsylvanians; 17 percent of New Jersey; 12 percent of Ohio; 18 percent of Connecticut; 15 percent of Illinois; 11 percent of Massachusetts; and nearly 2 million Californians.

Which one of us wants to apologize to our children for a nuclear catastrophe because we failed to help Ukraine safeguard its aging Chernobyl reactors? Which one of us wants to answer to the American Armenian with a grandmother in Yerevan who has not had heat or light for months? Which one will shrug their shoulders at the market opportunities to a region of hundreds of millions of people?

And, let's not forget Russia. With over 5,000 organized criminal enterprises with tentacles reaching our shores and access to nuclear material, do we really want to terminate the FBI's joint training and investigation efforts?

Mr. President, the budget resolution decimates support for these new republics and that is why many of us have heard from local, State, and national organizations representing Americans of European descent who support increasing the level of the 150 account to guarantee adequate funding for foreign aid programs. The Central and Eastern European Coalition which includes the Armenian Assembly, the Estonian World Council, the Lithuanian American Community, the Polish American Congress, the Ukrainian Congress Committee, the Ukrainian National Association, the Joint Baltic American National Committee, the U.S. Baltic Foundation, the Hungarian American Coalition, the Czecho-Slovak Council of America, the National Federation of Hungarian Americans, and several other groups all support this amendment.

I have only highlighted some of my specific concerns about the assumptions included in the budget resolution. I did not mention the fact that it assumes a cutoff of assistance to Greece and Turkey. I did not detail the devastating impact it will have on development assistance, peacekeeping, and the National Endowment for Democracy. I did not review country by country the consequence of terminating international lending to the world's poorest countries. I have only highlighted my concerns—concerns shared by many of our constituents. I hoped that this discussion would help all of us understand that this is not a debate about giving away tax dollars to foreigners or pouring our money down rat holes.

Our constituents recognize, as I do, that the budget resolution before the Senate will leave this President, the next President, our Nation and citizens with virtually no options except military intervention. In the last decade foreign aid has already suffered a 40-percent reduction. The reductions in the budget resolution, to an account that already represents only 1 percent of our spending, amounts to eliminating foreign aid.

I think that is a mistake which jeopardizes our interests. Eliminating foreign aid does not eliminate crises and needs. Eliminating foreign aid will not constrain a President from addressing these requirements—from carrying out his policies, from serving our national interests.

Eliminating foreign aid will simply transfer the burden directly to the Pentagon. The costs DOD assumed for taking care of Cuban and Haitian refugees at Guantanamo will become routine, not rare. We can support private voluntary organizations carrying out feeding missions in Rwanda or we can deploy our National Guard. We can help train the military in Mexico to interdict narcotics, or we can drain the Pentagon's accounts to patrol our borders intercepting drug flights. We can fund the FBI's work with their Russian counterpart's to combat criminal organizations engaged in smuggling chemical, biological, and nuclear material, or the Pentagon can pay a price to manage the threat.

Crisis prevention costs less than crisis.

Much has been made by the administration of the isolationist symptoms twitching in this body. And there certainly are Members, Senators who I have a deep respect for who believe the United States should withdraw from the world stage.

But, I do not believe we have that option any more. The world is no longer conveniently divided into cold war camps. Our friends and allies, the emerging democracies, all turn to the sole remaining superpower for leadership and support. A time when the international landscape is troubled and confused is precisely the wrong time to withdraw. It is precisely the wrong time to create a vacuum for the Saddam Husseins and other ambitious tyrants to fill. We can pay a small price now to secure American interests or we will surely pay an enormous cost later.

Mr. President, Senator SARBANES and I had intended to offer an amendment to increase the level of the function 150 account. We were supported in this effort by Senators HATFIELD, LEAHY, and other members of the Foreign Operations Subcommittee and Foreign Relations Committee who were concerned about the budget resolution's impact.

We had worked hard to achieve a bipartisan base of support for an amendment to raise the level of resources for function 150. Unfortunately, these efforts were undercut by comments made by Secretary Christopher before the

Subcommittee on Foreign Operations. The Secretary made clear he was concerned about the level of resources the Congress might make available. Nonetheless, when I asked him, as I had asked the Administrator for A.I.D. and other members of the Clinton administration, to work to secure congressional support to increase the account, he declined. He made it absolutely clear to all of us that the administration intended to sit on the sidelines as the resolution was debated.

I believe this reluctance directly affected our support for an amendment. Many Members I spoke with commented that if it isn't important enough to the President and the State Department to work to improve the resolution, why should I go out on a limb to increase foreign aid?

Ironically, just yesterday the President decided to lash out and threaten to veto the House bill which authorizes priorities and policies related to foreign assistance spending. The President is a day late and is attacking a bill that the budget process leaves billions of dollars short.

He refused to weigh in at the time that the crucial battle was being fought—the administration simply did not show up to participate in a bipartisan effort to secure adequate funds to administer our Nation's foreign affairs.

On other occasions in the course of our history similar mistakes have been made. By the time Gen. J.E.B. Stuart showed up at Gettysburg, General Lee had not only lost the battle, but ultimately the war. Stuart had wandered Pennsylvania aimlessly, leaving his commander blind to the strength and the position of Union troops.

This week, we saw aimless wandering not in the hills of Pennsylvania, but down the Avenue. Many of my colleagues understood the importance of the budget battle—understood it has significant implications for our long-term national interests. But the critical support for an effort to save the 150 account failed to arrive in time.

#### TRANSPORTATION CUTS

Mr. EXON. Mr. President the Senate proposal before us reduces transportation spending significantly more than the House. The difference between the Senate and the House is primarily attributable to unrealistic savings associated with privatizing certain air traffic control functions of the FAA. Beginning in 1997, the Senate assumes that this proposal will achieve savings of \$3.675 billion a year.

The feasibility of the Senate Republican's air traffic control privatization proposal is highly suspect because it asks users to pay twice. Not only will users continue to pay the Federal Government, via the ticket tax, but users will have to pay an additional tax to the new private entity.

While the Republican plan may help reduce the deficit, it is clearly not fair. Asking users to continue to pay the ticket tax to help reduce the deficit and then asking them to pay an addi-

tional tax to pay for an air traffic control service they already receive is asking too much and has little chance of succeeding.

Given the fact that the Senate Republican's FAA proposal is totally unrealistic, the Department of transportation would then be forced to virtually eliminate new highway, Transit, and Airport Improvement Grant funding in fiscal year 1997 to even get close to achieving its Senate fiscal year 1997 budget.

In addition, deep cuts of 20 percent or more in Coast Guard and FAA operations would be required to actually make the cuts proposed in Senate budget for fiscal year 1997.

We should not jeopardize the safety and viability of the Nation's transportation system with unrealistic budget assumptions. Let's have a more realistic budget for transportation, a budget that won't put vital transportation functions at risk.

#### PRIVATIZATION OF AIR TRAFFIC CONTROL

Mr. HOLLINGS. Mr. President, for 50 hours, we have debated the real impacts of the Republican budget proposal. I have talked at length about the Republican budget, and I won't restate my objections here. I do, however, want to point out the folly of one part of this plan.

All too often around here, someone hears an idea and runs with it. Buried in this budget is an assumption that the air traffic control services now provided by the Federal Aviation Administration will be privatized. The savings, through the year 2000, are projected to be \$14.7 billion. The assumption raises many serious concerns, not the least of which are the potential impacts on safety, the traveling public, the airline industry, and travel and tourism.

Travel and tourism is the largest service export of the United States, producing a \$22 billion export surplus. The industry employs six million Americans, and generates a \$99.2 billion payroll. Travel and tourism is dependent on a U.S. aviation industry that over the last 5 years has lost \$13 billion. We have seen carriers like Eastern Airlines and Pan American Airways, which paved the way for international aviation in the world, shut their doors. In reviewing the Domenici budget, and in particular the assumption to privatize air traffic control, it is important to bear in mind the tourism industry's importance to our economy and the airlines' current financial morass.

No matter what, we know that air traffic control services and the other FAA safety programs must continue. Someone will have to pay for those services. Right now, the users pay money into an airport and airway trust fund. It is a dedicated fund. The users pay approximately \$6 billion per year into the trust fund.

Under the Domenici assumption, Federal spending for the FAA would be cut by a total of \$14.7 billion, or \$3.7

billion per year. We can cut the Federal Government's outlays for the FAA, but the need for the services does not end. This is not one of those unneeded services or programs that ceases as soon as Federal funding stops. Air traffic control services will need to be provided and paid for no matter what happens under the Budget resolution. Yet, Senate Concurrent Resolution 13 asks the users to continue to pay \$6 billion to the Federal Government, but then calls for air traffic control services to be privatized. As a result, the Federal Government will not use the trust fund for those services, and the users must pay again for them. Essentially, the users will get double billed. We could solve the deficit very quickly if we charged every industry twice for the service provided by the Government, or simply continued to charge them for services that the Federal Government would no longer provide.

Over the last year, there has been a prolonged battle over the future of the FAA. The administration came up with a proposal to split up the FAA into a successor FAA and a Government corporation for air traffic control, which I and many others oppose. The plan was never proposed as a way to save money, but rather as a way to modernize the system and to maintain the current safety standards of the system. The Secretary of Transportation did not state that he expected huge savings from the breakup; instead he expected a more effective organization. The commercial aviation industry, initially thought to favor the air traffic control corporation, ultimately concluded that it could not endorse the Secretary's program. The general aviation sector also said no. So has Congress.

Now we get an assumption to privatize a key element of the FAA in this budget plan. What are we talking about? There are many privatization options that I can think of, but all of them would wreak havoc with the world's safest air transportation system. For example, do we really want to create a Postal Service for the air traffic control system? I get mad when letters are misplaced, but to think of misplacing aircraft is something else.

Should we consider contracting out these services to a private group? Do you really want your air traffic control system being run by the lowest bidder? In the alternative, we could auction off the system to the highest bidder, gaining lots of revenue for the Federal Government. Stop and think about those two possibilities. Consider the winner of the auction—the winning bidder would need to recoup its investment, operate and modernize the system, and earn a return on the investment. Doing a little shorthand math, let's say the air traffic control system is worth \$15 billion, and using the Domenici assumption of \$14.7 billion, it would cost another \$15 billion to modernize and operate the system. The company also would want at least a 10 percent return

on the investment. Congress would have created a winning formula for helping the aviation industry—a \$30–\$35 billion increase in costs. Remember, the industry lost \$13 billion over the last 5 years. An industry further weakened could result in safety problems.

In addition, the winner of the auction would then be running a monopoly. Do we really want to have a complete laissez-faire attitude toward safety? Let's stop and think about this for a minute: a monopoly would need to be regulated—fees for air traffic control services would need oversight and safety functions would need monitoring. Are we really willing to tell the traveling public that the Government is no longer responsible for aviation safety? This proposal to privatize does not create efficiencies or facilitate competition for air traffic control services. It merely turns over to a private entity the function of providing those services. That corporation would have no incentives to make the system efficient—it would be a monopoly.

We could avoid the monopoly situation by creating competing air traffic control systems, so that New York could have its own system, Chicago another, and so on. Of course, small communities might have trouble paying for high quality air traffic control services. So they would either have to sacrifice safety by providing inferior services or close down their airports for lack of services. The free market can be counted on to eliminate inefficiencies, but our constituents can't be blamed for not applauding such results.

Let's begin by understanding that the air traffic control system is the heart of the safety network that the Government provides to people who fly. Admittedly, the system is not perfect, but most agree that it is by far the best in the world. Comparisons to other countries that have privatized air traffic control services are irrelevant and ridiculous. These countries—New Zealand, Switzerland, and Germany—combined probably have less air traffic than Atlanta. Our system is much more complex, much more integrated. Privatization of the air traffic control system is opposed by the vast majority of aviation industry experts.

The General Aviation Manufacturers Association [GAMA] recently wrote to me and reminded me that the Office of Technology Assessment in 1988 stated that "the ATC function is inextricably linked with aviation safety and is a central component of an integrated FAA safety system." The GAMA letter went on to say that the Aviation Safety Commission, appointed by President Reagan, "stressed that the Federal government must continue to play the central role in ensuring safe operation of the U.S. aviation system." The GAMA letter included the following quotation from that Commission's report: "Since the Commission is not inclined to gamble in sorting out conflicting assertions about whether safe-

ty regulatory functions can be separated organizationally from air traffic control and facilities operations activities, the Commission cannot endorse the proposition that the air traffic control function should be privatized." The Senate Budget Committee's assumptions take that gamble.

We do not want to put the safety of the national air transportation system at risk. Ask the controllers who toil throughout the country if they want to privatize. Those folks work hard to make sure that all of us get home safely. They oppose privatization and seek meaningful reform.

I look forward to working with my colleagues on meaningful reform—not privatization or corporatization of air traffic control services. The process should proceed with caution before we assume in this or any budget that we should destroy the safest air traffic control system in the world.

#### FOOD AND NUTRITION PROGRAMS FOR CHILDREN

Mr. WELLSTONE. Mr. President, on March 29 of this year, the Senate unanimously adopted a resolution I offered opposing any measure that would increase the number of hungry or homeless children. Now, less than 2 months later, here we are considering a budget resolution that would drastically cut funding for important nutrition programs, including the Food Stamp Program and the Child and Adult Care Food Program. The cut would be \$20 billion over 5 years in these programs.

This budget represents a massive setback in fighting hunger in this country. We do know the following about who is hungry in this country:

In 1991 FRAC's Community Childhood Hunger Identification Project estimated that there are 5.5 million children under 12 years of age who are hungry in the United States.

The group Second Harvest estimated that in 1993, the emergency food programs served 10,798,375 children.

The U.S. Council on Mayor's Status Report on Hunger and Homelessness in America's Cities: 1994 found that 64 percent of the persons receiving food assistance were from families with children.

A Tufts University Center on Hunger, Poverty and Nutrition Policy Study estimated that 12 million children were hungry in the United States in 1991.

A Carnegie Foundation study found that 68 percent of public school teachers in 1987 reported that undernourished children/youths are a problem in school.

There is a serious problem with hunger in this country—particularly for children. Our reaction should be outrage, but instead we are responding by cutting the most important nutritional program this country has. These two programs are critical supports to children's nutrition.

The Child and Adult Care Food Program [CACFP] is designed to ensure that children up to age 12 enrolled in child care centers, family care centers,

before-and-after school programs, as well as Head Start centers receive nutritious meals. In 1994 the program cost about \$1.3 billion and served slightly more than two million children. The budget proposal will cut at least \$1.9 billion over 5 years and \$3.21 billion over 7 years. This is the only program that is easily accessible to family day care centers, the majority of day care providers in this country. The CACFP is the single biggest incentive for family day care providers to become licensed or registered.

The chairman's assumption is that the savings will come from targeting lower income children through census tract eligibility. I worry how such a strategy will work in Minnesota, where rural districts can be rich or poor depending upon a very small number of people. The alternative that these homes will have is to means test each family monthly, an appalling paperwork morass for such small operations. We are afraid these homes may go back underground by leaving the program.

An even larger concern is the impact of this budget resolution on the Food Stamps Program. Food Stamps is the program that feeds the hungry in this country.

Who are the people on Food Stamps? Well, we know that over half of Food Stamp recipients are children. Some 13 million children received benefits in 1992. Families with children received 81.9 percent of food stamp benefits. Elderly and disabled households received 12.9 percent of food stamp benefits. The program targets the population in need very well with 56 percent of food stamps benefits going to households with gross incomes below half of the poverty line and 76 percent are at or below the poverty level. So you see, most of the people we will be cutting off or restricting benefits to will be the most vulnerable, the poorest in our society. And yet again we are making poor children pay. Over half of these benefits go to poor children, but that is the program we pick to slash.

The Food Stamp Program works. A recent overview of the literature indicated there is considerable evidence that the Food Stamp Program is an important factor in helping low-income households have better nutrition intakes. Participants have a higher level of recommended dietary allowances than do eligible nonparticipants. Under-nutrition has serious health consequences and is associated with an array of medical problems including longer healing of wounds and injuries, susceptibility to disease and extended recovery time when contracted. In children, under-nutrition is associated with cognitive deficits and impaired development.

This is a temporary program for the majority of recipients. Half of all food stamp recipients leave the program within 6 months and two-thirds leave within 1 year. This is not a dependency-producing subsidy, a point of great concern to many.

Yet the program does this with very little money. In 1994, the program provided an average benefit of \$69 per person per month, or 76 cents per person per meal. The maximum benefit—received by less than 23 percent of households—is \$368 for a family of four or \$1.06 per person per meal. All food assistance programs represent only 2.4 percent of Federal outlays and this percentage is expected to decline slightly in the future as a share of total spending.

This is not to say that the Food Stamps Program does not have its problems. There is evidence of fraud and waste, yet one estimate is that the amount of money saved by fraud will only make up 0.1 percent of the savings the House welfare reform bill intends to gain by cutting the food program. I certainly agree with those who would like to reduce fraud through reasonable means. Those who waste these benefits or who fraudulently use them are wasting taxpayers' money. I am afraid that the desire to cut this program is too strongly influenced by a run-away desire to correct this wrong-doing, with little examination of the consequences to those in need.

People will go without because of the reductions proposed in this resolution, and we need to recognize that. These cuts are massive, and will dramatically reduce the money available to feed hungry people. Given the very real possibility that this body will pass a welfare reform bill which ends the AFDC entitlement, food stamps will be the only program with entitlement status that will cushion our poor families against recessions. We are shortsighted in taking food from those who need it to pay for tax cut primarily for wealthy people and corporations.

I urge my colleagues to oppose these unwise reductions, and to support amendments to restore critically needed food assistance to children and others who rely on these programs.

Mr. DOLE. Mr. President, I yield to Senator GRAMS.

Mr. GRAMS. Thank you, Mr. President. I appreciate the time and effort the majority leader has put into this bill.

Mr. President, during my campaign for the Senate, I promised the people of Minnesota I will do everything that I can do to get government off their backs and out of their back pockets. I told them my fight for them was to turn legislation like my families first plan, and its \$500 per child tax credit and economic growth incentives, into law. I believe that this tax credit should be available starting next year for all children under age 18. Today, I am pleased that the U.S. Senate has taken the first step to provide families with the tax relief they want and deserve. The budget resolution reported out of the Budget Committee included a substantial fiscal dividend which may have been used for family tax relief. The Grams-Abraham amendment guarantees that the dividend will be used

for family tax relief. Mr. Leader, I would like you to clarify the phrase "tax relief."

Mr. DOLE. I thank the Senator for his inquiry. While the phrase "family tax relief" is not specific, my interpretation is that the phrase could include a \$500 per child family tax credit. It is of course up to the Finance Committee to determine exactly how the fiscal dividend will be given back to Americans in the form of tax cuts. But I can assure you that as a senior member of the Finance Committee and its former chairman, and a majority leader, when the Finance Committee determines how to provide specific tax cuts, I will be there fighting for tax credits for children, such as that provided by the \$500 per child credit. We should provide tax credits for families that adopt children, expanded IRA's for homemakers, estate tax relief for family businesses, and other benefits targeted to the family.

The amendment also calls for the fiscal dividend to be used for tax incentives for savings and investment, job creation and economic growth. I would work to ensure that, as a result of the Grams-Abraham amendment, we cut the capital gains tax to stimulate economic growth and create jobs.

Mr. GRAMS. Also, on behalf of Senator HUTCHISON, I would like to ask if spousal IRA's would be included in the definition of "family tax relief"?

Mr. DOLE. Mr. President, I would say while the specifics of family tax relief and incentives to increase savings and investment will be determined by the Finance Committee, expanded spousal IRA's would certainly be considered in the context of providing family tax relief.

Mr. ABRAHAM. Would the majority leader yield for another question?

Mr. DOLE. Certainly.

Mr. ABRAHAM. Like the Senator from Minnesota, I also campaigned on a platform that emphasized tax relief for all Americans including the \$500 per child family tax credit, and savings and investment incentives such as estate tax reform for family-owned businesses. The fiscal dividend included in the budget resolution will provide approximately \$79 billion in tax relief over the next 5 years. Now, our amendment directs the Committee on Finance to use this dividend for family tax relief and incentives to stimulate savings, investment, job creation, and economic growth. By including these directions, I believe we have substantially improved the Senate's position when entering into negotiations with the House over tax cuts. Is it the majority leader's intention to work for additional tax cuts in the budget resolution conference to ensure that the largest possible family and pro-growth cuts are enacted this year?

Mr. DOLE. I thank the Senator for the question. Let me indicate as I have before, I have always said that balancing the budget is my first priority. But we can balance the budget and cut

taxes too. The Senate budget resolution will ensure that we do both. Any fiscal dividend that results from enacting balanced budget legislation will be returned to the American people in the form of reduced taxes. There are significant differences between the House and Senate budget resolutions, and I will encourage the Senate conferees to increase the deficit reduction achieved in this budget to the maximum extent possible. If we achieve even more savings, then I will fight to ensure that further tax cuts are provided to the American people.

Let me just say to both my colleagues from Minnesota and Michigan that I appreciate their willingness throughout the last several days to try to come to some agreement that would provide the relief that they were seeking. This does not quite reach everything they wanted, but I commend them for their efforts.

I think this is a very significant amendment that was adopted today on the floor, with bipartisan support, I might add. And it was due to the efforts of the Senator from Minnesota [Mr. GRAMS], and the Senator from Michigan [Mr. ABRAHAM].

If I can say one word that would follow the statement of the Senator from Delaware on the antiterrorism bill, I thank Senator HATCH and Senator BIDEN for their willingness to try to pass this bill. I urge my colleagues, particularly on this side of the aisle, to help us enter into some time agreements to make it possible. It might be—and it may not happen—that we can reach a time agreement on a number of amendments and not be in very long tomorrow. We will have a couple of votes, and we will take it up the day we are back. I promised we would take up telecommunications on that day. Without an agreement, I do not have any idea how long it will take if we bring up or continue on this bill when we come back on June 5.

I will be working with Senators DASCHLE and BIDEN and HATCH. We promised the President we would bring this up before the Memorial Day recess, and we have done that now. We have not completed action, but we have had a little debate. Had we been able to start on this last night, we may have been able to finish it tonight or tomorrow. It may not be possible to do that now. I know colleagues have other commitments starting early afternoon tomorrow, and some have them in the morning. I hope that on both sides we can have the cooperation of our colleagues working with the chairman of the committee, Senator HATCH, and the ranking Democratic member, Senator BIDEN.

Mr. BIDEN. While the majority leader is still on the floor, I can say for the minority that I am confident we can agree on time agreements on all of the amendments I am aware of thus far. We are continuing to hotline this to see if there are any amendments other than the ones that I am aware of.

I doubt whether we can get an agreement on a final passage time. But I would suggest that if we can get narrowed down time agreements tomorrow on each of the amendments, we should do all we can to lock it in. I thank the leader for honoring his commitment to bring this up. It was a bit beyond his control, having 50 some votes in the last 2 days. To the best of my knowledge, the House has not acted on this at all. Even if we passed a bill tonight, we are not in a position to be able to send it to the President or even go to conference. I do not think there is any damage done by not doing that.

Mr. SPECTER addressed the Chair. The PRESIDING OFFICER. The Senator from Pennsylvania is recognized. Mr. SPECTER. I thank the Chair.

#### IMPACT STATEMENTS ON FUNDING FOR THE NIH

Mr. SPECTER. Mr. President, on May 18 of this year, the Appropriations Subcommittee on Health, Human Services, Education and Labor held a hearing on the funding for the National Institutes of Health, and at that time a request was made by the representatives of the various units of the NIH to submit impact statements as to what the budget reductions would do. A good bit of this information was used by me in my statement on an amendment offered by Senator HATFIELD.

I ask unanimous consent that the RECORD contain these impact statements.

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

#### A GUIDE TO THE IMPACT STATEMENTS ABOUT NIH BUDGET REDUCTIONS

The National Institutes of Health (NIH) has identified 15 specific areas of research that would be severely affected by the cuts recommended by the Senate Budget Committee. These are only a representative sampling of the many research activities that would be significantly slowed, halted, or never started due to the proposed reductions. The effects are likely to be especially dramatic and long-lasting for several reasons:

NIH now funds less than one in four grant applications, so that any reduction in support would affect only those investigators already judged by expert peer reviewers to be among the best in the nation.

It is in the nature of medical research to find that the most important discoveries are made in unexpected places. If funding is reduced to what are deemed bare essentials, much of the best research may be eliminated because it is not obviously connected to immediate medical goals.

Over 80 percent of the NIH budget supports research at many colleges, universities, medical schools, and institutes in every state in the country. These awards are essential not only for generating new knowledge; they also improve the quality of medical care and training, help to recruit new biomedical scientists, and strengthen educational programs. A major reduction in funding will undermine these important aspects of American life; the effect will be felt for many years. Bright, young people, recognizing that the future for biomedical research has dimmed, would pursue other career options.

The research that NIH supports in the areas discussed in our samples is different

from the kind of work conducted at biotechnology and pharmaceutical firms, where a commercial product is the central goal. Without the basic knowledge generated by NIH-sponsored investigators, our international leadership in the industrial sector will be threatened.

#### IMPACT STATEMENTS FROM THE NATIONAL INSTITUTES OF HEALTH

Alcoholism.  
Alzheimer's Disease.  
Anti-Cocaine Agent.  
Blinding Diseases.  
Breast Cancer.  
Cancer Vaccines.  
Conquering Genetic Diseases (mapping the human genome).  
New and Re-emerging Infectious Diseases.  
The Obesity Gene.  
Otitis Media (a serious childhood infection).  
Parkinson's Disease.  
Prostate Cancer.  
Sexually Transmitted Diseases.  
Sickle Cell Disease.  
Stem Cell Research.  
Stroke.  
Vaccines to Prevent Stomach Ulcers and Stomach Cancer.

#### IMPACT OF NIH BUDGET CUTS ON PEOPLE'S HEALTH

Alcoholism: Naltrexone, the first medication approved for treating alcoholism in forty years, is a major step forward.

The Promise: Researchers supported by the National Institutes of Health (NIH) have shown that naltrexone, an opiate-blocker used for treating heroin addiction, is an effective treatment for alcohol addiction. The combination of naltrexone and skilled counseling resulted in alcohol-dependent people staying sober twice as long as placebo-treated patients. Even if naltrexone-treated alcoholics drank, they rarely "binged."

The Next Steps: Naltrexone is the first medication approved for the treatment of alcoholism in forty years. However, that approval is only for three months of use in any patient. Further research is needed to make this treatment more effective and to exploit what insights it may provide into underlying biological and behavioral mechanisms. NIH is currently studying naltrexone's longer-term use, side effects, and most importantly, how naltrexone—an opiate blocker—reduces alcohol craving.

Improved technologies are also aiding in the study of alcohol addiction. New brain imaging systems can actually show what alcohol craving looks like, including blood flow changes. Computer-aided design of new drugs to treat alcoholism has begun, using recently discovered information on how alcohol affects the surface of nerve cells. And investigators are narrowing in on the genes which account for inherited vulnerability to alcoholism.

Effects of a Budget Cut: The clinical trials of the longer-term use of naltrexone would have to be curtailed or not initiated. Other promising leads in alcoholism research would either have to be delayed or dropped.

Alcohol kills over 100,000 Americans every year. Some 20 to 40 percent of adult hospital beds in large urban hospitals are occupied by people being treated for alcohol-caused organ damage. Alcoholism and alcohol abuse costs the Nation about \$100 billion every year in medical costs, social costs, and loss of productivity. Slowing advances in the treatment of alcoholism could cost tens of billions of dollars.

Comment: Alcohol addiction is the number one drug problem in the United States. New treatments to help alcohol-dependent people stay sober are showing positive results, and the biological roots of alcoholism are being uncovered.