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Senate

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Help us, O Lord, to have no other gods before You. We say we trust in You, but there are times when our worries and fears expose us to the idols in our hearts. Sometimes we are troubled about our success ratings, what people think of us, and maintaining popularity. Often we are better at reading the pulse of public opinion than honestly taking our own spiritual pulse. Help us to use the true measurement of humility; not to stoop until we are smaller than ourselves, but to stand at our real height and compare ourselves to the greatness You intend for us to achieve. Thus, seeing the real smallness of our supposed greatness, stretch our souls today until they are enlarged to contain the gift of Your spirit. Then sound in our souls Your renewed call to serve You with our eye on only one opinion poll: What You think of our performance. Free us from need of people's approval so that we may give ourselves away for the needs of people. In our Lord's name. Amen.

RESERVATION OF LEADERSHIP TIME

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

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from South Carolina [Mr. HOLLINGS] is recognized to speak for up to 20 minutes.

The able Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the junior Senator from South Carolina. I thank the distinguished Chair.

(Mr. FRIST assumed the chair.)

SCORING THE BUDGET

Mr. HOLLINGS. Mr. President, once again we have lied to the American people.

Mr. President, once again, we are lying to the American people. For the past several weeks, we have heard the cries of the ''balanced budget'' and ''the first opportunity in 25 years really to balance this budget.'' Everywhere men and women cry ''balance.'' But, Mr. President, there is no balance to this budget. It is an outright fraud, and my friends on the other side should know better.

It was an embarrassing moment at the Budget Committee last evening. The chairman of the Budget Committee had fallen into the trap of playing to the cameras.

He had a clock flashing the amount of the gross debt and a chart showing the first page of the reconciliation bill with a ribbon, like in a horserace or the good housekeeping award, certifying that this budget was for fiscal responsibility. Not so at all.

On last Tuesday, just a week ago, he inserted in the CONGRESSIONAL RECORD the letter from June O'Neill, the Director of the Congressional Budget Office, together with the tables showing a surplus of $10 billion.

I ask unanimous consent that the letter be printed in the RECORD again at this point.

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

TAXATION, BUDGET, AND ACCOUNTING TEXT

[Letter from Congressional Budget Office Director, June O'Neill to Senate Budget Committee Chairman Pete Domenici (R–NM), projecting enactment of reconciliation legislation submitted to committee would produce budget surplus in 2002, issued Oct. 18, 1995 (Text)]

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 18, 1995.

Hon. PETE V. DOMENICI,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the legislation submitted to the Senate Committee on the Budget by eleven Senate committees pursuant to the reconciliation directives included in the budget resolution for fiscal year 1996 (H.Con Res. 67). CBO's estimates of the budgetary effects of each of those submissions have been provided to the relevant committees and to the Budget Committees. Based on those estimates, using the economic and technical assumptions underlying the budget resolution, and assuming the level of discretionary spending specified in that resolution, CBO projects that enactment of the reconciliation legislation submitted to the Budget Committee would produce a small budget surplus in 2002. The effects of the proposed package of savings on the projected deficit are summarized in Table 1, which includes the adjustments to CBO's April 1995 baseline assumed by the budget resolution. The estimated savings that would result from enactment of each committee's reconciliation proposal is shown in Table 2.

As you noted in your letter of October 6, CBO published in August an estimate of the fiscal dividend that could result from balancing the budget in 2002. CBO estimated that instituting credible budget policies to eliminate the deficit by 2002 could reduce interest rates by 150 basic points over six years (based on a weighted average of long-term and short-term interest rates) and increase the real rate of economic growth by 0.1 percentage point a year on average, compared with CBO's economic projections under current policies. CBO projected that the resulting reductions in federal interest payments and increase in federal revenues would total $50 billion in 2002 and $170 billion over the 1996–2002 period. Those projections were

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

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based on a hypothetical deficit reduction path developed by CBO. The deficit reductions estimated to result from the reconciliation legislation submitted to the Budget Committee, together with the constraints on discretionary spending proposed in the budget resolution, would likely yield a fiscal dividend similar to that discussed in the August report.

If you wish further details on this projection, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

Mr. HOLLINGS. I thank the distinguished Chair.

Thereupon, Senators admonished the Director of the Congressional Budget Office that she was violating section 13301 of the Budget Act, which provides that Social Security trust funds shall not be used to hide the size of the deficit.

On October 19, 2 days later, the same June O'Neill, the Director of the Congressional Budget Office, sent a second letter in response to inquiries made by my colleagues from North Dakota, Senators CONRAD and DORGAN. In that response, Ms. O'Neill explained that if you follow the law, you will end up with a deficit of $98 billion in the year 2002.

I ask unanimous consent that the letter be printed in the RECORD at this point.

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

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 19, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office yesterday provided the Chairman of the Senate Budget Committee with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of $10 billion in 2002. Excluding an estimated off-budget surplus of $108 billion in 2002 from the calculation, CBO would project an on-budget deficit of $98 billion in 2002.

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226–2880.

Sincerely,

JUNE E. O'NEILL.

Mr. HOLLINGS. I thank the distinguished Chair.

Again the following day, October 20, the same June O'Neill acknowledged an accounting mistake and corrected her October 19 letter by explaining that actually the deficit in the year 2002 would not be $98 billion, but $105 billion instead.

Now, calling this budget balanced is a mistake that is commonly made, Mr. President. Just two Sundays ago on ''Meet the Press,'' the best I have seen in the public media covering this budget, Mr. Tim Russert, asked Mr. Panetta, ''Will you withstand those political charges and go along with the reduction in cost-of-living increases in order to balance the budget?''

That question is based on a false premise, Mr. President. The reduction of the cost-of-living increase does not go to balance the budget, but, on the contrary, adds to the surpluses in the Social Security trust fund. We are getting all get boiled up around here, Mr. President, with respect to Medicare and Social Security, about things that are in the black and ignoring the part of Government that is not paid for.

Specifically, let me cite Social Security. At the end of this fiscal year, Social Security will have a $544 billion surplus. Has anybody in this body, Capitol, ever heard the word ''surplus''? I have. I worked with President Lyndon Johnson, in 1968 and 1969 with our good friend, Chairman George Mahon, of the Appropriations Committee.

In December 1968 we called the President and said, ''Mr. President, please allow us to cut another $5 billion.'' The outlays were for the entire Government in 1968–69, defense included were $178 billion. Today, just the interest cost on the national debt is projected to reach $348 billion, almost $1 billion a day.

We have been fiscally responsible at times. And perhaps before I start, I ought to qualify myself as a witness, like they do in court.

Mr. President, this particular Governor got the first triple-A credit rating, before Tennessee, before North Carolina, Georgia, before any Southern State. It was accomplished by hard work, but I, as a young Governor, knew I could not make any impression on investors by just talking about paving a road and serving barbecue. We needed a calling card of fiscal responsibility.

Even back then I was trying to get business sense in Government, I asked the management consultants, to look at higher education, elementary and secondary education, the tax commission, insurance department. We went through Government making it more efficient and earning a triple-A credit rating, which incidentally, was subsequently lost by our former Republican governor.

Then, as I previously stated, I worked in Washington with Chairman Mahon back in 1968. And we continued that work to try and cut spending without decimating the responsibilities of Government. When President Ford came in, we had an economic summit and we cut spending. When President Carter came in, I was the chairman of the Budget Committee. I went to the White House after President Carter had been defeated in November 1980 and said, ''Mr. President, you are going to leave a bigger deficit than you inherited from President Ford.'' He said, ''How much?'' I said, ''$66 billion.'' He said, ''Well, then, how much are we projecting?'' I said, ''We are projected to have a deficit of $75 billion. And if that occurs, no Democrat will ever get elected again.''

So we passed the first reconciliation bill, signed by President Carter on December 5, 1980, cutting spending. I went to my good friends, Senator Magnuson of Washington, Senator Church of Idaho, Senator Culver of Iowa, Senator Gaylord Nelson of Wisconsin, Senator George McGovern of South Dakota, Senator Birch Bayh of Indiana. I said, ''You fellows have got to help. We have got to cut back on the appropriations bills that we have already approved.'' And we did just that.

In 1981, I worked with the then majority leader, Howard Baker. We could see that this supply-side economics was just exactly what Baker called it, ''river boat gambling.'' In the coming days, you are going to hear a whole lot of campy nonsense about opportunity and growth, about giving people their money back, and about people back home knowing more about how to spend their money.

We should remember our experience with the supply-siders mantra of ''growth, growth, growth.'' We first called it Kemp-Roth, then Reaganomics, and finally Vice President Bush named it ''voodoo.'' And here we go again with the voodoo. We are heading full-tilt toward enacting a massive tax cut, when we are looking for money to pay the bills.

It is absolutely irresponsible. We have lied again to the American people.

President Reagan came to town promising to balance the budget in 1 year. Then having been sworn in, the President said, ''Oops, this is way worse than I ever thought. We will balance it in 3 years.'' We could not pass a budget freeze, so we tried Gramm–Rudman-Hollings which was a freeze plus automatic cuts across the board.

The trouble is that we are about to see history repeat itself. We may pass this budget but then, after 2 or 3 years, they will throw it away just like they threw away Gramm–Rudman-Hollings on October 19, 1990, at 12:41 a.m. in the morning.

I stood at this desk and raised the point of order against doing away with the fixed deficit targets of Gramm–Rudman-Hollings, but Senator GRAMM and others voted me down. So it is not accurate to say, ''Oh, it didn't work.'' It was working too well, that was the problem for some of my colleagues. Instead, they said, ''Let's have caps on spending and we will balance the budget.'' And you can see the caps have gone up, up and away.

My Republican colleagues have, to their credit, mastered the rhetoric and the lingo: Balance, balance, balance, balance, first time in 25 years, solid

budget, certified by CBO—it is an absolute charade. CBO says that by the year 2002 there will be a $105 billion deficit. But Mr. Archer, the chairman of the Ways and Means Committee over on the House side, was quoted yesterday in USA Today. He said:

House Ways and Means Chairman Archer (R-TX) denies that his party's budget is balanced with borrowing through Social Security dollars and angrily denied Hollings' allegations. ''I don't know where he comes up with that,'' Archer says of Hollings.

Mr. President, I would recommend that he go to the conference report of Mr. KASICH's budget on page 3 where it says: Fiscal year 2002, $108,400,000,000 deficit. ''Deficit'' is the word used, not surplus or balance.

No wonder we're in a pickle. The chairman of the Ways and Means Committee does not even know that the budget provides for a deficit in 2002. Here in the Senate, the chairman of the Budget Committee charges that we are using a phony argument. But I would invite my colleagues to look at the CONGRESSIONAL RECORD of last Tuesday, October 17, and you will see that Mr. DOMENICI himself says that we will owe the Social Security fund. I quote from S. 15193, October 17 and Mr. DOMENICI:

So we owe it, in fact, we owe part of it to the Social Security trust fund.

So please spare me this about phony. They think as long as they holler ''balance'' and holler ''phony and fraudulent'' people will ignore the fact that the law plainly says that Social Security shall be excluded from deficit and surplus totals.

I ask unanimous consent to have printed in the RECORD that section 13301 of the Congressional Budget Act.

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

SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, what I do then is go to the figures themselves, because it is not very difficult.

I ask unanimous consent to have printed in the RECORD a budget table.

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

BUDGET TABLES

[Outlays in billions]

Year	Government budget	Trust funds	Unified deficit	Real deficit	Gross Federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,530.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 estimate	1,583.0	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's January, April, and August 1995 Reports.

	Year 2002 (billion)
1996 Budget: Kasich Conf. Report, p. 3 (deficit)	−$108
1996 Budget Outlays (CBO est.)	1,583
1995 Budget Outlays	1,530
Increased spending	+53
CBO Baseline Assuming Budget Resolution:	
Outlays	1,874
Revenues	1,884
This Assumes:	
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002)	−121
(2) Entitlement Cuts and Interest Savings (in 2002)	−226
(3) Using SS Trust Fund (in 2002)	−115
Total reduction (in 2002)	−462

Mr. HOLLINGS. Mr. President, these budget tables show the Government outlays from 1968 through 1995 and the CBO estimate for 1996. It shows the trust funds that we have borrowed from for a total of $1,255,000,000,000.

Then it shows the term they use—''Unified deficit''—that is borrowing from the public and then also borrowing from your own pocket.

I ask unanimous consent that I may continue for another 5 minutes to conclude.

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

Mr. HOLLINGS. I thank the distinguished Chair.

So we have each figure in a separate column. Adding the unified deficit to the money we owe the trust funds gives us the real deficit which last year totaled $283.3 billion.

I ask unanimous consent to have printed in the RECORD another budget table.

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

MORE BUDGET TABLES: SENATOR ERNEST F. HOLLINGS

[In billions of dollars]

	National debt	Interest costs
1996	5,238	348
2002	6,728	436
	1996	2002
Debt includes:		
1. Owed to the trust funds	1,361.8	2,355.7
2. Owed to Government accounts	81.9	([1])
3. Owed to additional borrowing	3,794.3	4,372.7
Note: No ''unified'' debt; just total debt	5,238.0	6,728.4

[1] Included above.

Surplus in Social Security (CBO through 1996)—$544.0 billion.

Surplus in Medicare (CBO through 1996)—$145.0 billion.

''SOLID'' BUDGET PLAN

1995 real deficit (CBO), −$283.3 billion.

[In billions of dollars]

Year	CBO outlays	CBO revenues
1996	1,583	1,355
1997	1,624	1,419
1998	1,663	1,478
1999	1,718	1,549
2000	1,779	1,622
2001	1,819	1,701
2002	1,874	1,884
Total	12,060	11,008

$636 billion ''embezzlement'' of the Social Security Trust Fund.

[In billions of dollars]

	Outlays	Revenues
2002 CBO baseline budget	1,874	1,884
This assumes:		
1. Discretionary freeze plus discretionary cuts (in 2002)		−$121
2. Entitlement cuts and interest savings (in 2002)		−$226
[1996 cuts, $45 B] Spending reductions (in 2002)		−$347
Using SS Trust Fund		−$115
Total reductions (in 2002)		−$462

Mr. HOLLINGS. Mr. President, in this chart we have taken the outlays under the Republican budget proposal as promulgated by the Congressional Budget Office for the years 1996 through the year 2002, and the revenues from CBO for the years 1996 through 2002. If you look at the total for spending, it is $12,080,000,000,000—$12,080,000,000,000. Then if you look at total revenues over the same period, it is only $11,008,000,000,000.

By simple arithmetic we will be adding over $1 trillion to the debt over the next 7 years.

In the year 2002, the gross debt will go from $4.9 trillion today to $6.728 trillion.

In order to show good faith, Mr. President, I ask unanimous consent to have printed in the RECORD the budget paths that I presented in January at our initial meeting of the Budget Committee.

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

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: $1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Mr. HOLLINGS. Mr. President, the January table shows the deficit using trust fund and not using the trust fund.

I have been in this budget game now for over 20 years at the Federal level. If anyone can show me any kind of realistic cuts that will by themselves balance the budget, I will jump off the Capitol dome. It is very easy to make that pledge because you see exactly from the arithmetic.

The Republican budget can claim it balances the budget in 7 years only because they use $636 billion of Social Security between now and 2002. The other half of the trillion-dollar program comes from discretionary cuts, entitlement cuts, and interest savings of $347 billion in the year 2002. That should give us a dose of reality. At this very minute, we are struggling to find $45 billion in cuts for this fiscal year.

In addition, you can add on the tax cut, which adds $93 billion to the debt. I ask unanimous consent that a Wall Street Journal article outlining this fact be printed in the RECORD.

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

[From the Wall Street Journal]

GOP TAX CUTS WILL ADD $93 BILLION TO U.S. DEBT, BUDGET ANALYSTS SAY

(By Jackie Calmes)

WASHINGTON.—Despite Republicans' claims to the contrary, their tax cuts will add billions to the nation's nearly $5 trillion debt even as the GOP seeks to balance the budget by 2002.

An estimated $93 billion in extra debt will pile up as a result of the Republicans' proposed $245 billion in seven-year tax cuts, according to calculations from GOP congressional budget analysts. And that's assuming the economy gets a huge $170 billion fiscal stimulus that Republicans are counting on as a consequence of balancing the budget over seven years, thanks mostly to lower interest rates.

GOP leaders agreed last summer, as part of a House-Senate budget compromise, to apply that hypothetical $170 billion ''fiscal dividend'' toward their proposed $245 billion in tax cuts. That left $75 billion in revenue losses unaccounted for. Interest on that amount would add about $18 billion, for the total $93 billion in debt.

Meanwhile, the Republican architects of the plan boast that the tax cuts are all paid for with spending cuts. Senate Finance Committee Chairman William Roth, announcing his panel's draft $245 billion tax-cut package last Friday, said it would be completely financed with lower interest rates and smaller government. ''Other factors like that will add up to $245 billion,'' the Delaware-Republican said.

And Oklahoma Sen. Don Nickels, another Finance Committee panelist and a member of the Senate GOP leadership, added, ''We will not pass this tax cut until we have a letter'' from the Congressional Budget Office reporting that Republicans' proposed spending cuts through 2002 ''will give us a balanced budget and a surplus of at least $245 billion.'' He added, ''It's all paid for.''

The confusion has to do with the frequently misunderstood distinction between the nation's accumulated debt, now approaching $4.9 trillion, and its annual budget deficits, which have built up at roughly $200 billion a year.

Republicans' spending cuts, it's projected, generally will put the annual deficits on a downward path until the fiscal 2002 budget shows a minimal surplus. But the annual deficits until then, while declining, together with nearly $1 trillion more to the cumulative debt. Meanwhile, the GOP tax cuts add to those annual deficits in the early years—in fact, the fiscal 1997 deficit would show an increase from the previous year. Thus the debt, and the interest on the debt, would be that much higher.

Interviews in recent weeks indicate that many House and Senate GOP members are unaware of the calculus. And some are unfazed even when they hear of it. ''It would bother me if I thought we were adding to the debt,'' said Texas Sen. Phil Gramm, now seeking the presidency on his record as a fiscal conservative, ''but I don't think we are.''.

Mr. HOLLINGS. The Chair has been indulgent and I know my distinguished colleague from Tennessee is waiting to be heard.

Let me conclude by asking people to look at the arithmetic and to help expose the fact that once again, we have lied to the American people.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized to speak for up to 20 minutes.

CHANGE THE BUDGET STATUS QUO

Mr. THOMPSON. Mr. President, I appreciate the recognition.

First of all, I want to commend the distinguished Senator from South Carolina for his usual eloquence. I

think if I ever had a case to litigate in court that I want him on my side. Apparently, a lot of people in South Carolina over the years have felt the same way.

He brings to this discussion a unique perspective of someone who has been in this body for many years, having served as Governor before his service in this body. Great experience—he has been through the budget years, budget battles.

It is always enlightening to hear an analysis of history—ancient history, recent history—as to how we got into the fix that we are in this country, whose fault it has been in the past, and what calculations that were made in the past that turned out not to be correct, and the political battles back and forth.

It is also interesting to hear from someone with such vast knowledge and experience as to how these deficits are figured, whose figures are to be used, whose figures are to be trusted and all of that.

However, Mr. President, I cannot bring to this discussion that kind of richness of historical perspective. I bring, as many of my colleagues here in the Senate, including my colleague from Tennessee who occupies the chair now, a different perspective.

That is, one from someone who has not been in this body, has not been in politics as far as that is concerned, over the years, and perhaps who views this a bit differently, from a different perspective.

That is, simply—regardless of all of that—we are simply spending more than we are taking in. We are simply bankrupting the next generation. We simply have to do some things differently in this country.

I think probably the best service that analysis of the past can be is an example of what we should not do. Sometimes I wonder whether or not we should not, with regard to our fiscal policies in the past, with regard to so many of our social policies, we should not carefully analyze what we have done over the years and do the exact opposite.

I think as far as these fiscal problems are concerned, all I know is that we have that problem; the American people know we have that problem. They sent some of us here to address that problem in a different way than has been addressed in times past.

We stand here now on the brink of what I feel is a historic opportunity to address this for the first time in decades. Others would disagree and say we have tried various things before and they have failed. We tried some things and they worked for a while and we backed off again, which to me is a pretty good argument for a constitutional amendment to balance the budget. That is a debate for a different time.

The chairman of the Budget Committee, as I read in this morning's paper, called this reconciliation package the culmination of his life's work. He is not a person to use language loosely, and I am sure he feels that way, and I am sure it is the case.

It has been a remarkable life's work and I think it points out the way in which serious people view this serious problem and where we are. That is, on the brink of perhaps a historic occasion for the first time, perhaps, in this generation, to really try to get a grip on a problem that is strangling our Nation, that will undoubtedly engulf the next generation if we do not face up to it and do something about it.

Anyone who reads history will see that history is full of occasions of great powers having great economic viability and power and success and great military powers, and countries come to the top and they rule the world on occasion for periods of time, in ancient times, and they become the major economic powers of the world for periods of time.

Invariably, as the Bard would say, they strut and fret their brief hour upon the stage and then they move on. They decline, through laziness, laxity, corruption, for whatever reason, they move on. And they fade into the sunset and they are no longer militarily or economically powerful.

One looking at the United States of America by any measurable criteria—economic, socially, or perhaps any other criteria—could make a pretty good case that the United States of America is on the beginning stages of that kind of decline. I think just within the last few years that people have taken note and made a decision in this country that we are not going to let that happen to the United States of America, that we are going to do something really unprecedented in world history, and that is to stop ourselves in mid-decline and to correct that course.

For years in this country we have somewhat recognized these problems, but basically roll them over for the next generation to deal with. We have thought that we could have our cake and eat it too. We have thought that we could socially engineer our ways out of almost any problem and do it from Washington, DC.

These things have not worked. Now we are in a position of having to correct some false assumptions that we have made and some false basis for policies that we have had in this country for some time now. That should not be a remarkable occurrence and it should not be something that should be extremely disturbing to many of us.

This must happen in an individual's life. In the life of a nation, Thomas Jefferson, as we heard so often quoted in the balanced budget debate back a few months ago, pointed out that we need to reexamine ourselves every once in a while. Even our form of government, in some basic ways, should be reexamined and challenged from time to time. Different way of doing business. Certainly these policies that are based on nothing more than a series of legislative enactments should undergo that kind of scrutiny. That is what we are doing now. That is what we are doing.

We have operated under the assumption that we could cure poverty in this country by spending our way out of it, that as long as we were spending vast sums of money this was demonstrating our commitment to those less fortunate. It made us feel good.

Basically, of course, we were spending other people's money, folks out there working for a living, paying taxes, and they were footing the bill as always. But we felt basically the end would justify that, because we could eradicate poverty in this country, basically. We, of course, gave no account, apparently, to basic tenets of human nature, that we could not spend $5 trillion on a problem such as this without creating dependency. We gave no accounting to the obvious fact that we cannot micromanage people's behavior from Washington, DC. But we spent $5 trillion and now we have, perhaps, basically the same rate of poverty that we had in this country when we started.

We developed a program for health care coverage for the elderly back in 1965. A lot of Democrats and Republicans joined together at that time to institute Medicare and also Medicaid. At the time the Ways and Means Committee estimated the hospital insurance part A would cost $9 billion to finance in 1990. In 1990 hospital insurance actually cost $67 billion. Medicaid, a narrowly defined program buried in the 1965 bill that created Medicare, of course provides health care for low-income Americans. It was intended to cost about $1 billion annually. By 1992, expenditures had ballooned to $76 billion. In 1995 it was $89 billion. Of course that is the Federal Government's share alone, the States spent another $67 billion.

So it is clear that we miscalculated, that we have operated under false assumptions, and that we must have some midcourse correction here in order to save the very thing we say we want, because the results of these policies, the results of this miscalculation, has left us in a sea of debt. It has slowed down the economy. We now have the lowest savings rate in the industrialized world. We have one of the lowest investment rates among our trading competitors, and it has left our growth rate at about half what it usually is coming out of a recession in this country. It is making it more difficult for us to compete in a global economy with nations that measure their wages in pennies instead of dollars, and our work force here is insufficiently trained to meet that. This is all in the context of an economy about which a good argument can be made, based upon our savings rate and our growth rate, that our investment rate is basically, long range, long term, slowing down—slowing down.

We have seen the result of our social policies. Mr. President, it is not going to matter all that much whether we

balance the budget or not if out-of-wedlock births become the norm in this country. It is not going to matter whether we have a tax cut or not if juvenile crime makes it so that nobody can even get out on the streets anymore in this country—and that is what it is coming to.

At a time when many of our prime statistics are leveling off, juvenile crime is now skyrocketing. Drug use among the juvenile population is now skyrocketing. So we have a slowing economy and terrible social indicators, where out-of-wedlock births exceed 50 percent in most of the major cities now.

Probably worst of all, I think, is a growing cynicism among the American people. The dissatisfaction you see, the third parties we hear being talked about, the aftermath of these activities of some of our law enforcement agencies, have people who are big, strong, conservative law enforcement people saying, ''Wait a minute, this is not the way it ought to be. This is not the Government I know. I feel disassociated from that kind of Government, that way of doing business.'' This is in a country where 75 percent of the people consistently say they want a particular policy—term limits is one example—and nothing ever happens.

All of that, all of that is a result, a culmination of years and years and years of policies that may have worked for a while and that certainly were based on good intentions by those who instituted them. Certainly some remnants and some parts of some policies are worth saving, and then there are some that were outright wrong from their inception and were based on fraudulent premises. A combination of all of that has led us here with these problems.

We talk about the last election. I do not think people got up on Election Day last time and started loving Republicans across the country. I think we benefited from the fact that we were not in, that we were out. I think, more than anything else, it had to do with people wanting some kind of fundamental change in the way we were doing business in this country on a fundamental basis, and they were willing to give us a narrow window of opportunity to see if we could do something about it. That is why so many of us came together and decided we would take a handful of things, but a handful of the most important things facing this country, and try to do something about them that is different fundamentally—and they are come together in this reconciliation package.

It had to do with the commitment to balance the budget of this country. It had to do with a Medicare system that everybody knows cannot continue the way it is. Changes have to be made or it will not be with us. It had to do with a failed welfare system where $5 trillion has created more social havoc than we would have believed imaginable. And it had to do with leaving a few more dollars in the pockets of those who earned the dollars in the form of a tax cut. They were laid out in the campaigns last time and people responded to them, and they are looking to see now whether or not we are going to keep that commitment.

Everyone can be debated and will be debated, but I think it is good for the system and the American people to see it all debated out, because there are two sides to most of these issues. But after all is said and done, the time is running out for us to make fundamental change and it is going to have to be done and it is going to happen on our watch.

I am proud to be here for that historic occasion, when I think that will happen. The easy thing to do, always, is to maintain the status quo, to nibble around the edges, to really do just enough to make people think you are doing something without doing enough to really have any effect on anybody's life so you will be subject to criticism. We can argue over whose figures to use and all that. But I think the President's so-called second budget is a good example of that. He apparently comes up with $245 billion simply by changing a few estimates. Again, I suppose folks that have been around here a long time are used to that. That is the way you make your money, mostly, is to change your estimates, change your growth estimates, change your inflation estimates and all that, and you can come up with $245 billion out of thin air without having to make any changes.

Regarding the Congressional Budget Office, we do not have anyone who everyone can agree is omnipotent, who is all-knowing and can give us figures that everyone will agree on. I suppose the Congressional Budget Office is the nearest we have been able to come to that. The President always thought so until recently. According to the Congressional Budget Office, the President's so-called second budget does not balance. It gives us $200 billion deficits as far as the eye can see.

So the status quo is always easier. The same thing as far as the Medicare situation is concerned. We take the position we have to have $270 billion in Medicare savings. Our colleagues on the other side, so many of them, say, ''Yes, we acknowledge first of all that we would have to have a balanced budget,'' which is progress right there. And second, ''Yes, we must do something about Medicare.'' But again, just as with the balanced budget, ''You are going too far, you are going too fast.''

Mr. David Broder wrote in the Washington Post earlier this month on this subject, and he pointed out the real problem, when you cut through all the rhetoric on both sides of the aisle as far as the health care problem is concerned, is that the growth in spending for health care is devouring the Federal budget. He pointed out the Presidential commission, headed by our colleagues Senator KERREY of Nebraska and Senator Danforth, reported earlier this year that unless current trends are changed, by 2010 or 2012, 15 to 17 years from now, all Federal revenues will be consumed by entitlement programs and interest on the national debt. So we clearly cannot continue down that road.

He further states that the Republican approach comes closer to the scale of changes that the country needs. He points out that in the House Ways and Means Health Subcommittee, they point to some estimates given to the committee by Guy King, former chief actuary for the Federal agency that runs Medicare and Medicaid.

Mr. King says that the Democrats are correct in claiming that their $90 billion solution would keep the Medicare trust fund solvent until 2006, but in 2010—the last year that the Republican plan would keep the trust fund in the black—he said the Democrats would leave it with a $309 billion figure in the red. He says that date is terribly important because 2010 is the year the huge wave of baby-boomer retirees really hits.

Everyone acknowledges further changes in Medicare will be needed by then. But, as Thomas points out, it is one thing to be dealing with the retiree wave from a position of fiscal parity—which is what our plan would do—but it is much harder to do it when you are already $300 billion in arrears.

So all he is saying is that, sure, the plan that would say let us just have $90 billion in savings would get us over the hump. That is what we are used to doing in this country—getting over the hump usually until the next election, hopefully until the next generation, just pushing it on down the road just a little bit further, and do not let me have to deal with it because I do not want to have to go home and explain anything unpleasant to anybody. But if we do that when those retirees hit, when those baby boomers start retiring, we will be hopelessly insolvent.

But we are not getting a reasoned debate in many instances on this. We are getting scare tactics. We are getting the 30-second sound bites which the American people have grown to love so much in our political races, 30-second television commercials that appeal to the most basic instincts and that are invariably flawed from the factor standpoint.

Mr. President, has my time expired?

The PRESIDING OFFICER (Mr. INHOFE). The time has expired.

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

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

Mr. THOMPSON. Mr. President, Mr. Tim Penny, former Democratic Representative from Minnesota, wrote earlier in the Washington Post, last month, and said that members of both parties should be working together on this important issue just as many Republicans joined Democrats in voting for Medicare in 1965. Unfortunately,

Democratic leaders in Congress have decided otherwise, choosing to attack the Republican Medicare plan rather than offering an alternative. By politicizing the issues, Democrats are threatening the viability of the very program that they created.

Mr. President, we are better than that. We can do better than that. Those on both sides of the aisle have pointed out that this is not an accurate representation of what we are doing, the rhetoric that we are hearing now.

The Washington Post, on September 25, 1995, pointed out that as far as saying the tax cut proposal is simply a tax cut for the rich to finance the Medicare cuts, they said, ''The Democrats have fabricated a Medicare tax cut connection because it is useful politically''.

Mr. President, the stakes are too high. The opportunities are too great. We must get down to what we all know is the task at hand; that is, saving this Nation from insolvency, saving the Medicare trust fund from insolvency, and putting some money back into the hands of working people.

Mr. President, only in Washington, DC, do we still think that $1 of tax cuts of any kind, capital gains or otherwise, is $1 of revenue to the Federal Government. It simply does not work that way. In 1981, for example, when the rates were cut for capital gains, revenues went up. In 1996, when rates were increased, revenues went down.

So I believe, as Senator DOMENICI has pointed out, the chairman of the Budget Committee, this is a culmination of not only his last work but a lot of people's last work. It is an historic occasion. We have an opportunity to do something that probably will not present itself again, certainly in our lifetime, as far as this reconciliation package is concerned.

I urge its prompt consideration and its approval.

I yield the floor.

The PRESIDING OFFICER. Under a previous order, the Senator from Michigan [Mr. LEVIN] is recognized to speak for up to 15 minutes.

Mr. LEVIN. I thank the Chair.

THE ISTOOK AMENDMENT

Mr. LEVIN. Mr. President, the Saturday New York Times over the weekend reported that a group of freshman Republicans in the House were threatening to basically bring the Federal Government to a halt unless a provision that they support is adopted in the conference report on the Treasury-Postal appropriations bill. The provision at issue is commonly referred to as the Istook amendment after its author, Congressman ERNEST ISTOOK of Oklahoma. It would put massive new restrictions on all Federal grant recipients with respect to their participation in matters of public policy. This is how the New York Times described it: ''As this week began, the freshmen were threatening an even wider uprising, with nearly half vowing to hold up all the upcoming spending bills and the reconciliation bill unless the leadership holds fast'' on the Istook amendment.

Congressman ROGER WICKER of Mississippi is quoted in the article as saying, ''It is something the conferees will ignore at their peril.''

One headline recently referred to the amendment here, as ''lobby reform.'' Proponents of the amendment say it will ''end welfare for lobbyists.'' Well, I have been working on lobbying reform for over 5 years, now, and I can tell you, this is not lobbying reform. It is repression of the rights of people to lobby.

The Istook amendment is a rather blatant attempt to silence dissent and to muffle the diversity of opinion in the forum of public policy debate. The amendment is one of the most poorly thought out I have ever come across. Senate conferees have been holding fast against it, although there is supposed to be a meeting of the conferees sometime tomorrow and we will have to see what happens. But again, the Senate has served as a firewall against an extreme proposal emanating from the House. The Istook amendment provides that any Federal grant recipient is not allowed to use more than a small percentage of their own money—non-Federal dollars—for political advocacy and still receive a Federal grant for totally unrelated activities.

There is already a longstanding law on the books that prohibits the use of appropriated funds for lobbying—no ifs, and, or buts. Appropriated funds under current law cannot be used for lobbying and there are provisions that ensure that even indirect costs of an organization cannot be used to subsidize lobbying activities. Current law applies to all appropriated funds regardless of who the recipient is—for profit contractors as well as nonprofit grant recipients. The penalties for violating this provision are severe, including debarment from all future Federal funding. So this is not restriction that is easily overlooked or dismissed.

The argument that current law allows welfare for lobbyists is factually incorrect. Under current law, no federally appropriated money, no Federal tax dollars can be spent by any recipient to lobby, period.

Well, then, what is the Istook amendment getting at? It is getting at the non-Federal money. It is trying to control what private organizations can do with the money they raise solely from private sources.

What does the amendment say? First, it applies to all grant recipients. Any entity that receives a Federal grant, either directly or indirectly would be subject to the provisions and requirements of the Istook amendment. So, yes it covers organizations like AARP which receives grants to conduct various programs for senior citizens, a favorite target of the Istook supporters. But it also covers grants to persons who do research in small laboratories for the NIH. It covers grants to major medical centers that may be studying the effects of chemotherapy for cancer treatment. It covers grants to religious organizations that may be conducting latchkey programs for the forgotten kids in neighborhoods across this country, and it covers groups like the Red Cross. It applies to any organization or entity that receives, directly or indirectly, Federal grant money or, indeed, that may apply for Federal grant money.

It does not apply to Federal contractors. Federal contractors receive hundreds of billions of Federal tax dollars, and they have a tremendous incentive to lobby. Continuation of the B–2 bomber readily comes to mind as a program that producers of the B–2 might have an interest in lobbying on, but the Istook amendment does not try to limit the amount of lobbying that contractors can conduct with their private money, even when they are lobbying for Federal funds. The amendment does not try to limit the volume of lobbying these companies can conduct despite the hundreds of millions, and in some cases the billions of dollars, they receive from the Federal Government and the Federal taxpayers. And if the Istook supporters can call private money used by Federal grant recipients welfare for lobbyists, the same would have to hold true for private moneys used by Federal contractors. There is no difference.

The whole approach is based on a disturbing and a flimsy distinction. You can buy B–2's from a company that makes a profit and not worry about how it lobbies with its own money, but if you buy research into a cure for cancer from a nonprofit university, then you need to restrict that university's lobbying efforts with its own money.

The B–2 contractor can lobby all it wants with its own money, but the university working on a cure for cancer cannot.

So the amendment at the outset targets only one type of recipient of Federal funds, and that is the grant recipients that are largely nonprofit organizations, leaving the contract recipients that are largely for-profit companies completely untouched.

What are the restrictions that the amendment then places on all Federal grant recipients? An organization cannot get a Federal grant if it spent more than—and I am shorthanding the formula here—if it spent more than 5 percent of its total expenditures on political advocacy in any one of the preceding 5 years. So let me repeat that. An organization cannot get a Federal grant if it spent more than 5 percent of its total expenditures on political advocacy—that is the term the amendment uses—in any one of the preceding 5 years. And then, of course, once an organization is a grantee, it is held to that same 5-percent limit as a condition of continuing to receive the grant.

So first of all, this is not a limitation on what a grant applicant must be

bound by once it gets a grant. This is much more than that. This is a limitation on what an applicant for a grant can do in the 5 years prior to applying for a grant.

An organization may not even know that it wants to apply for a grant, let us say, in 1995, but should it this year spend more than 5 percent of its money on what the Istook amendment calls political advocacy, then it is precluded 5 years from now from applying for a grant, even though it engaged in no political advocacy this year, next year, the year after, or the year after that.

This amendment is not only applicable to the period of time during which the grantee is carrying out a grant, it applies for all practical purposes for all years whether or not an organization has a grant if it thinks that it might some year, 5 years down the road, want to apply for a grant.

What is ''political advocacy''? The definition is so extreme that it is almost laughable if the stakes, namely, basic democratic principles, were not so high. Political advocacy includes carrying on ''propaganda''—that is the term that is used in the amendment—or otherwise attempting to influence legislation or agency action. This, the amendment says, includes but is not limited to contributions, endorsements, publicity, or similar activities.

So if the Food and Drug Administration were considering restricting the availability of cigarettes for young people, the American Medical Association, which may have a grant or may even want to apply for a grant in the next 5 years, could be precluded from using non-Government funds, its own funds, to endorse that agency action. At a minimum, if it thought it might want to apply for grant in the next 5 years, if it did not have one at the time, it would have to keep records of how much it spent if it made such endorsements and then regularly measure that amount against its other political advocacy activity, assuming you could figure out what political advocacy meant, and it would have to do that to make sure its total expenditures do not go over the 5-percent limit.

Political advocacy also includes participating in any judicial litigation— I do not know what litigation is other than in a judicial setting, but that is the term the amendment uses—in any judicial litigation or agency proceeding including as a friend of the court in which any Federal, State, or local government is involved. The exceptions to this sweeping provision are if the grantee is a defendant, so you are allowed to defend yourself, or if the grantee is challenging a Government decision or action directed specifically at the powers, rights, or duties of the grantee or grant recipient.

OK, so now let us say you are the Mayo Clinic, and you receive a large Federal grant to conduct cancer or diabetes research. The city of Rochester has developed a new master plan to rezone the entire city including the area around the clinic. You as the clinic are affected by that plan and you want to challenge it, but it is not directed specifically at the powers, rights, or duties of the Mayo Clinic. It is a plan for the entire city of Rochester, so now you would be forced to choose between continuing with the research grant or participating in the debate over the master plan.

Political advocacy also includes—and this is where the amendment takes another major leap in its extremism and its absurdity—allocating, disbursing, or contributing any money or in-kind support to any person or entity whose expenditure for political advocacy in the previous fiscal year exceeded 15 percent of its total expenditures for that year.

What does that mean? Presumably that every Federal grant recipient or potential applicant has to determine whether or not the business from which its purchasing services or products meets the 15-percent test.

So now if a Federal grantee or a potential grantee purchases a computer from IBM, that Federal grantee had better be sure that IBM is within the 15-percent limit, because otherwise that is an expenditure for political advocacy and the grantee has to count the amount of the purchase toward its 5-percent limit.

Let us take another example. A child care facility which receives a Federal grant for a breakfast program uses its own non-Federal private funds and hires an individual to do graphics for a campaign to promote healthy breakfasts. The person they happen to pick is a part-time lobbyist at the State legislature for other persons and other interests. The child care facility did not pick that person for that skill. They picked him for his ability to put together an attractive presentation for little children and for families. Under the Istook amendment, we are going to hold that child care facility responsible for determining whether or not that graphics person spends more than 15 percent of his expenditures on political advocacy. And if it does, the child-care center has to include in its total of its expenditures that amount of money.

Now, Mr. President, this is getting absolutely absurd. A potential grantee, an applicant for a Federal grant, who thinks that it may apply even in the next 5 years, has to keep a record of every single purchase it makes from every company during that 5 years and make sure that no company from which it buys a computer or anything else has exceeded a 15-percent expenditure limit using its own funds.

If you buy food for a clinic, you better make sure that the wholesaler from which you bought that food did not spend more than 15 percent of its own funds on political advocacy. This is Government gone mad. This is Government gone haywire. Nobody can keep these kinds of records and get certification from every person from whom they buy anything that that person did not spend more than 15 percent of its money on political advocacy.

This amendment does exactly what the opponents of lobbying and gift reform in the last Congress correctly said would be unacceptable: interfering with the right of an organization to communicate information to its members.

The Istook amendment would treat as political advocacy, and therefore reportable and subject to its limits, all communications between a grantee organization and any bona fide member of that organization that encourages the member to communicate with any government official on legislation or agency action. Let me repeat that. The Istook amendment requires grantees to report on an annual basis all of their expenditures—again, we are talking about non-Federal funds—incurred in communicating to their members to encourage them to contact Government officials on legislation or agency policy action. Isn't that what killed lobbying reform last Congress and is not that exactly the issue the very proponents of this Istook amendment said would be so offensive? We struck any reference to grassroots lobbying from the lobbying reform bill this year in order to make progress, and here, some Congressmen are threatening to shut down the entire Federal Government in order to pass a provision that requires organizations to publicly account for just how much they spend to do grassroots lobbying on their own members, not only on persons outside their organization but with their own members. Last year's provision did not go nearly that far and many of these same House Members railed against that.

This is Alice in Wonderland material, made real by the fact that the sponsors have threatened to shut down Government, if they don't get their way.

We are talking here about making the Red Cross report each year how much it spends of non-Federal funds should it ask its members to urge Congress to pass stronger legislation to protect the country's blood supply. We are talking about making the Girl Scouts of America report each year how much they spend when they ask their members to write to the FCC on violence in television shows. We are talking about requiring Mothers Against Drunk Driving to keep a record of all the expenses they incur in communicating with their members to fight for tougher drinking laws in their states. And these organizations would have to keep these records and report these amounts even though they do not even meet the definition of a lobbying organization under the Senate-passed lobbying disclosure bill.

Promoting and supporting this amendment is, alone, an unfortunate, unwise, and I believe deleterious position to take with respect to our basic democratic principles. But elevating the passage of this amendment to the position of importance that puts the

entire Federal Government at risk is incomprehensible.

One day we will weary of threats to shut Government down—and as a body rise up to defeat proposals supported by such threats. This proposal should also be defeated despite the threats, Mr. President, because the laws are already in place to protect any misuse of taxpayer moneys with respect to lobbying by tax-exempt organizations. The Senate should not give in to this thoroughly misguided piece of legislation; our conferees should hold fast.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania [Mr. SPECTER] is recognized to speak for up to 30 minutes.

Mr. SPECTER. I thank the Chair.

THE BUDGET RECONCILIATION BILL

Mr. SPECTER. Mr. President, 1 year ago we Republicans won control of the Congress based on commitments to balance the budget, reduce the size of Government, and lower taxes. These commitments remain our basic goals. I have sought recognition this morning to speak on the reconciliation bill which will be coming up tomorrow.

I know that tomorrow time will be very precious, so I want to express some of my thoughts at this time. These reservations which I am about to discuss have been expressed to the leadership. There was difficulty in even coming to preliminary conclusions because much of the material had not been made available until very recently, some of the tables on the tax reductions only coming as late as yesterday.

As we address the reconciliation process in the next few days, I ask my colleagues to reconsider certain aspects of the proposed legislation. As much as I favor tax relief for Americans, I question tax cuts that may jeopardize our No. 1 priority, which is balancing the Federal budget.

As much as I want to reduce the size of Government, I question spending cuts directed so disproportionately against the elderly, the young and the infirm. And on a political basis, I suggest to my Republican colleagues that we all rethink support for a combination of tax cuts and spending cuts that may lead to the perception of the Republican Party as the party of wealth, power and privilege, and not the party of ordinary American working families.

Last fall we Republicans swept to historic victories in both Houses based on our responsiveness to the people's demand for less, not more Government, for a Government that lives within its means, and for a reduction of the tax burden on ordinary Americans.

I am fearful, Mr. President, that we will forfeit that political high ground in an instant if we adopt a budget that not only fails to end the deficit, but that, either in appearance or in fact, makes the least affluent Americans bear the heaviest burdens while giving most of the tax benefit to the most affluent among us.

I am concerned, Mr. President, that these tax cuts threaten a balanced budget, which is by far the most critical aspect of the electoral mandate of 1994. Many of us have been working for a balanced budget for many years. And I have been making that effort for all of my 15 years in the Senate. But until this year, I have never seen legislation passed that actually had a likelihood of achieving that goal.

Finally, after years of shadowboxing, after years of spending restraint initiatives that were mere smoke and mirrors, not really substance, this Congress has been willing to make the painful changes necessary to achieve a balanced budget. We are moving toward real reform of entitlements, thereby for the first time giving us a real ability to restrain future spending in those programs. Painful though these actions are, we are willing to make these sacrifices in the name of future generations. And we do that in order to achieve a real balanced budget within the 7-year glidepath.

The Senate Appropriations Subcommittee on Labor, Health, and Human Services, which I chair, and where the distinguished Senator from Iowa, Senator HARKIN, serves as ranking member, has made very, very painful cuts on a budget which had exceeded $70 billion in discretionary spending. These reductions totalled almost $8 billion, down to somewhat more than $62 billion in spending.

I would suggest to you, Mr. President, that we made these cuts with a scalpel and not a meat ax. But we had to pare back critical programs, difficult as it was, such as compensatory education for the disadvantaged, substance abuse treatment and prevention, drug-free schools, dislocated worker training—and we did so, I believe, in a way that left intact the basic safety net that protects America's neediest and most disadvantaged—and with a special concern for children and the elderly.

We were able to make these difficult spending cuts because of our commitment to a balanced Federal budget. But the current reconciliation bill may undercut that commitment while leaving those painful spending cuts in place. The largest spending cuts occur in the so-called outyears while many of the tax cuts occur at the outset. These savings may materialize, but there is no guarantee that they will.

Estimates of rates of economic growth, inflation, tax revenue generation are only estimates, and estimates invariably become less accurate the further out in time they occur. The proposed reconciliation bill offers the certain tax cuts right now paid for by spending cuts later and anticipated savings. That sounds too much like the approach which has put us in a predicament with almost a $5 trillion national debt.

Mr. President, I am very concerned that these tax cuts are unfair or at least give the perception of unfairness. I express this concern because much of the pain of the spending cuts goes to the elderly, the young, and the infirm while allowing tax cuts for corporate America and those in higher brackets.

I question, Mr. President, cuts in student aid, job training, low-income energy assistance, workplace safety, Head Start, childhood immunization, and mother and child health programs while we give corporate tax breaks such as accelerated depreciation for convenience stores and expanded equipment depreciation.

I am concerned, Mr. President, as I take a look at the cuts in Medicare and Medicaid. This is a subject that was highly controversial, leading many Republicans from my neighboring State of New Jersey to vote against the Medicare Program in the House of Representatives. I point specifically to Medicare part A disproportionate share payments relating to extra payments to hospitals that serve a high proportion of poor patients. This program is reduced by some $4.5 billion over 7 years. This change impacts very, very heavily on many of the hospitals in my State of Pennsylvania and on many training institutions across the country.

And I point further to the Medicare part A indirect medical education payments, which are financial adjustments to teaching hospitals to cover excess costs due to training. This program is reduced by some $9 billion. I also point to the change in the index for future payments to hospital providers, which will be reduced by some $36 billion over the course of 7 years.

While it is admitted that Medicare changes are necessary in order to remain solvent and that we have to have a handle on Medicare, there are many questions being raised by senior citizens and the elderly all over America today as to the fairness of these reductions. I specify that they are not cuts, but we are trying to get a handle on Medicare so that as costs increase, we can reduce the rate of increase. But there are many questions legitimately being raised about these budget considerations on Medicare.

On Medicaid, there is a change from entitlements to block grants. We have bitten the tough bullet on changing the block grants on welfare payments, and we are in the process of making real reforms in the entitlement programs.

There is a particular concern as to what will happen in many of the States. There was a lead article in the New York Times in the last few days about what is happening and what may happen further. The State illustrated was Mississippi. A particular concern of my State, Pennsylvania, is the formula for the allocation of Medicaid funds under a block grant, with some

of the pending legislation hitting Pennsylvania very, very hard.

Mr. President, it is a herculean effort to rein in entitlements and balance the budget under the best of circumstances in a way that will be accepted as fair. I believe the American people are prepared to tighten their belts to balance the budget, so long as the sacrifices are fair and equitable.

We consistently hear constituents urge spending cuts except for their own pet projects. But leadership calls for the Congress to take the political risks on those hard votes to cut popular programs for the future economic stability of the country. It simply may be too much to cut about $1.4 trillion, and that is an approximation—$200 billion a year over 7 years—plus another $245 billion for tax cuts, which at least gives the appearance of unfairness.

I further suggest that the reconciliation bill may well be bad politics as well as bad public policy. To balance the budget and reform entitlements are tough under any circumstance, but they are even more difficult along with the tax cuts and corporate benefits.

In the wake of Congress' proposed tax cuts, the lead story in the Sunday Philadelphia Inquirer of October 15, 1995, headlined, in the upper right hand corner: ''Bearing the Brunt of GOP Cutbacks, Low-Income Families Would Lose Billions in Benefits. Tax Cuts Would Benefit the Affluent.''

That story then details the cuts in popular programs. It is especially difficult, Mr. President, I suggest, to justify curtailments in the earned income tax credit at the same time the tax cuts are going to Americans in higher brackets.

The earned income tax credit was expanded in 1986 under President Reagan and again in 1990 under President Bush. President Reagan called the program the best antipoverty, the best pro-family, the best job creation measure to come out of the Congress.

What is the measure of fairness in eliminating facets of the earned income tax credit at the same time that we are adding tax breaks for those in higher brackets?

The specifics on this, frankly, have been difficult to obtain, but the Senate reconciliation bill would reduce funds for the earned income tax credit by some $43.2 billion, which is substantially more than the House reduction of some $23.2 billion over 7 years.

The Senate bill would eliminate the earned income tax credit for taxpayers without children, who now receive a limited credit up to $324. The changes made in the Senate bill on the earned income tax credit tighten up eligibility and expand the income included for phaseout purposes.

Further, the credit would be entirely phased out for individuals with one child with income over $23,730. The Senate proposal would also freeze the credit at 36 percent rather than allowing it to rise up to 40 percent under current law.

Mr. President, the reconciliation bill contains many credits which I like very much. I especially like the $500 tax credit per child, but is there not a question as to extending that tax break to individuals in the $75,000 bracket or $110,000 for married couples, at a time when we are curtailing the earned income tax credit for people who earn $23,730?

There is no doubt about the justification for giving a tax credit for families in middle-income America, but should we be doing it at the same time when the taxes are being increased or the earned income tax credit is being reduced for people in much lower brackets?

This legislation, the reconciliation bill, contains an increase on IRA's, independent retirement accounts, and that is a measure that I have long supported and fought for. I recall in 1986 we had a vote, 51 to 48, eliminating the IRA's. I very strongly opposed the elimination of the IRA's. But is it sound public policy to be increasing IRA availability for singles who earn up to $85,000 and for families earning up to $100,000, from the current limits of $25,000 and $40,000, at a time when we put limitations on the earned income tax credit?

I do not have absolute answers to these questions, but I think they deserve very, very careful thought.

Mr. President, these political problems have been candidly noted by many of our colleagues in the U.S. Senate. Our distinguished majority leader on a Sunday talk show a few weeks ago raised a question about having these tax cuts and quoted a number of Republican members on the Senate Finance Committee, and then, in the wake of objections, retreated from the questioning of these tax cuts.

I believe that if there were a secret ballot among the 53 Republicans, many would vote against the tax cuts in the context of balancing the budget and in the context of difficulties for others in lower brackets. One of my colleagues estimated that as many as 20 of our Republican Senators might oppose the tax cuts if we were to have a secret ballot.

I raise these issues in the context of having debate at the start of this bill, again saying that I do not have absolute answers but think that these issues have to be thought through very, very carefully.

Mr. President, I suggest that it is time to face the facts that the Emperor, as well as the poor, may well be wearing no clothes if the reconciliation bill passes in its present form.

I remind my colleagues about the political consequences back in 1986. Many who are now in the Senate, especially on the Republican side, were not here in 1986 when we faced a question about cutting Social Security benefits. Those benefits were cut. Later in 1986, Republicans lost control of the Senate. Those who voted in favor of the Social Security tax cuts were defeated at the polls.

I think that is something that has to be remembered, especially since, even though the Social Security tax cuts passed the Senate, they did not come into law. They ultimately were abandoned.

Many of the items we are going to be voting on here, as we seek to pass this reconciliation bill, are conceded not to be in final form—that this is a test run and that this reconciliation bill is highly likely to be vetoed by the President. He already announced his intention. Then it is going to come back for further consideration, again raising the question about making these votes which are so politically perilous and which really may not have any effect at all.

Mr. President, I further suggest that we can have all of the advantages in the reconciliation bill in terms of tax breaks for middle-income Americans and more. We can have not just a reduction in the capital gains rate but an elimination of the capital gains tax, and an elimination of tax on dividends if we move to the flat tax, which I introduced earlier this year, Senate bill 488.

I take second place to no one in this body when it comes to supporting tax relief for all Americans. But real tax relief cannot come from tinkering at the margins, by adding a new break here or a new loophole there. Breaks and loopholes are part of the problem, not the solution. The solution to tax oppressiveness is a completely new method of income taxation, a method based on the fundamental principles of fairness, simplicity, and growth. That solution, Mr. President, is the flat tax.

Our current Internal Revenue System is a mammoth bureaucracy requiring Americans to spend billions of hours each year to complete their tax forms and hundreds of billions of dollars in compliance, estimated as high as $595 billion by Fortune magazine. It is reliably estimated that some 5.4 billion hours annually are spent by Americans on tax compliance.

Worse, our tax system is fundamentally antigrowth, diverting otherwise productive resources to compliance costs, promoting economic decisions based on tax avoidance rather than productivity, and discouraging savings and investment by the double taxation of dividends and capital gains.

My flat-tax proposal, Senate bill 488, was introduced in March of this year. It would scrap our current Tax Code and replace it with a simple 20 percent rate, keeping only two deductions—interest on home mortgages up to $100,000 in borrowing, and charitable deductions up to $2,500.

Individuals would be taxed at the 20 percent rate on all income from wages, pensions, and salaries. They would not pay tax on interest or savings and dividends because those would be taxed at the source. They would also not pay any tax on capital gains because the answer to encouraging investment and

growth is not simply to reduce capital gains tax but to eliminate it entirely.

Under my bill, a family of four earning up to $25,500 would pay no tax. Low- and middle-income Americans would benefit from my tax cut because millionaires, who often pay little or no tax because of the myriad loopholes and shelters in the Tax Code, would have to pay tax at the 20 percent rate because these loopholes and shelters would be eliminated. It has been shown that under our current tax system, more than half of all personal income in the United States, or some $2.6 out of $5 trillion, escapes taxation entirely. A fair tax system, like my flat-tax proposal, taxes all income equally—and just once.

Businesses would also be taxed at a flat rate of 20 percent. My plan would eliminate the intricate scheme of depreciation schedules, deductions, credits, and other complexities that complicate business filing, and that in some cases permit tax evasion. Businesses would only deduct wages, direct expenses, and purchases. Businesses would be allowed to expense 100 percent of the cost of capital formation, including purchases of capital equipment, structures, and land, and to do so in the year in which the investments are made. Although the elimination of most deductions means that business taxes will increase in the aggregate—thus assuring that investment income is fully taxed before it is paid out—that extra cost to business will be offset by the elimination of their enormous tax compliance costs.

For both businesses and individuals, the hours and hours of tax-related recordkeeping, the litany of schedules, the libraries full of regulations and decisions, would be replaced by a postcard sized form that almost all Americans and business owners could complete in about 15 minutes.

But the most important reason for adopting a flat-tax system is in its potential to foster economic growth and job creation. With the elimination of taxation on interest, dividends, and capital gains, the pool of capital available for investment will grow dramatically. Conservative economic projections are that interest rates will come down two full points, and that renewed economic activity will add $2 trillion to the gross national product over 7 years—an additional $7,000 for every man, woman, and child in America.

My tax proposal has been carefully calculated to be revenue neutral, so that it will not add one penny to the national debt. My flat tax is based on the analyses done over a period of years by highly respected economic professors, Robert Hall and Alvin Rabushka, of Stanford's Hoover Institute. Hall and Rabushka's calculations show a national flat tax with no deductions and a 19 percent rate matching current tax revenues. My bill deviates from the Hall-Rabushka model by its retention of limited deductions for home mortgage interest on up to $100,000 of borrowing and charitable contributions up to $2,500. While these modifications limit the purity of the flat-tax principle, I believe that these deductions are so ingrained in the financial planning of American families that they should be retained as a matter of fairness. Based on computations provided by the Joint Tax Committee, the additional 1 percent in my flat-tax proposal above the Hall-Rabushka proposal—a 20 percent rate instead of 19 percent—will fully cover the cost of these deductions.

In fact, there is every reason to believe that as the growth aspects of flat taxation take hold, and the economy expands, tax revenues will rise significantly—which will permit either a further lowering of tax rates or actual reduction in the national debt. However, since those savings are speculative, I have not included them in my calculations to set revenue neutral, deficit neutral rate.

I am obviously reluctant to vote against legislation that offers needed tax relief to some Americans. But we ought not be tinkering at the margins where some Americans benefit and others don't. Under a flat tax such as I have proposed, everyone benefits and everyone pays their fair share.

The current tax breaks are, at best, a Band-Aid. A flat tax is a cure for the cancer which retards the productivity of the American economic engine. The relevant committees have had hearings on the flat tax and are in a position to act on these proposals.

Mr. President, I make these comments because of my concern that the pending reconciliation bill may be going too far at a time when our primary objective is to balance the budget, and that Americans are prepared for those cuts if they are fair and if they are just.

At a time when we are tightening our belts, I question the wisdom of the additional tax cuts to people who are in much higher brackets and to corporate tax breaks at this particular time.

Again, I say I am not in concrete on this matter, but I urge my colleagues to carefully consider this matter before we move to the voting state and consideration of final passage of the reconciliation bill.

The Republican leadership has heretofore been advised of my concerns and reservations. While it is late in the process, there is still time to revise the reconciliation bill in the interest of fairness and sound tax policy. It is my hope that modifications can be made so that I and a broad coalition of Members can support this landmark legislation.

The PRESIDING OFFICER. Under a previous order, the Senator from Arkansas, Senator PRYOR, is recognized for up to 15 minutes.

MEDICARE MISINFORMATION AD CAMPAIGN

Mr. PRYOR. Mr. President, this morning I rise today to sound an alarm, an alarm about a $1 million television advertising campaign that supports the Republican plan to cut Medicare and is currently airing all over the United States.

I am here to explain to my colleagues why this commercial does not tell the whole story and why the public needs to know more about the organization that is actually paying for this TV commercial that advocates the Republican cuts in the Medicare program.

Mr. President, the organization paying for this television commercial is called the Seniors Coalition. We might not have heard a great deal about the Seniors Coalition because it has not been around all that long. It is an operation founded by Mr. Richard Viguerie.

The star of this ad is our colleague and good friend from Tennessee, Senator BILL FRIST.

Let me make it clear at the start that I mean no disrespect to Senator FRIST. I talked to him this morning, stating I was going to make this statement, and that I was not questioning his integrity in any way.

In fact, I sincerely doubt our colleague, Senator FRIST, is aware of the information that I will share with my colleagues this morning.

The ad, Mr. President, which features Senator FRIST talking about the Republican plan to cut Medicare, is not paid for by the Republican Party but by the Seniors Coalition.

First, some background on the Seniors Coalition. The Seniors Coalition is one of three so-called seniors organizations that have been working exclusively with the GOP leadership. It is working with the GOP leadership to push and help organize and in some cases to fund activities that support the Republican plan to cut Medicare by $270 billion and to provide a $245 billion tax break—most of it or a lot of it, Mr. President, going to the wealthiest in our society.

Here we see a chart that includes the Seniors Coalition. We also see 60-Plus here. And, we see United Seniors, or USA, here. These are all founded by Mr. Viguerie, who has control of perhaps some of the most sophisticated mailing lists in America.

The Coalition to Save Medicare was founded to support the House Republican plan to cut Medicare. As one columnist has recently put it, the Coalition to Save Medicare is ''deliriously misnamed,'' and is a ''coalition of huge corporations and insurance companies out to loot Medicare to pay for corporate tax breaks.''

In fact, Mr. President, the Seniors Coalition, United Seniors Association, and 60-Plus, are all 501(C)(4) organizations. They pay no taxes whatsoever. They have use of a nonprofit mailing permit. They are being subsidized by the American taxpayer.

The other coalition, which is the Coalition for America's Future—and here is a letter of September 22—was created by the majority party, by the Republican leadership, to apply pressure

during efforts to push the Contract With America, including tax breaks for the wealthy, through the House of Representatives.

Let us look at this letter of September 22. This letter is addressed to me:

On behalf of the more than 7 million families, senior citizens and large and small businesses of the Coalition for America's Future, we are writing to urge you to make good on the promise of the budget resolution to provide $245 billion in tax cuts over the next 7 years.

One of the so-called members of the Coalition for America's Future is the National Committee To Preserve Social Security and Medicare. They are listed along with the Seniors Coalition, United Seniors Association, and 60-Plus as seniors organizations who are members and who support the Coalition's agenda.

Mr. President, just this morning I received a letter from the National Committee to Preserve Social Security, and I will read part of it now:

Regrettably, that letter lists our organization as a member of this Coalition and falsely implies our support for its position in favor of the $245 billion tax cut package contained in the budget reconciliation bill.

Martha McSteen concludes by saying:

I want to emphasize in the strongest possible terms that the National Committee to Preserve Social Security and Medicare did not endorse this letter or approve of the use of our organization's name in connection with this letter.

At this point, I would like to explain how these groups were founded, how they operate and exactly who they are.

First, letters that will grab the attention of seniors, usually through scare tactics, are sent to thousands of seniors across America. These letters make senior citizens think that their Medicare is in jeopardy, that it is in danger, and that what they need to do immediately is to send their money in to one of the three groups founded by Mr. Viguerie. Here is what happens.

The letter is sent by one of these groups to Mr. or Mrs. Smith, Anytown, USA. Then the older American receives this letter, writes a check out of their savings account to either the Seniors Coalition, United Seniors Association, or 60-Plus. Then the dollars go, first—where? To Mr. Viguerie. We have the contract for Mr. Viguerie that we will show in a few moments, that shows that Mr. Viguerie gets up to 50 percent, possibly one-half of all of these checks sent in by mail by the senior citizens to United Seniors Association. Some of the remaining money is used to generate some more mail to send out to scare the seniors.

These groups also use some of the remaining money to lobby the Congress. For example, Seniors Coalition had enough money left over to run TV commercials like we are seeing running in many parts of America today. This ad campaign is telling seniors that the Medicare cuts are necessary to save the Medicare system.

Last year, in 1994, these same groups were doing the exact opposite. They were scaring seniors by telling them that President Clinton was cutting $124 billion out of Medicare as part of his health care reform proposal. Here is one letter dated March 28, 1994 from the same organization, the Seniors Coalition, and it was sent out to thousands of seniors all over the country, requesting contributions. In the body of the letter the Seniors Coalition states:

Now President Clinton wants to cut an additional $124 billion. This is all part of his plan to have the Government take over health care.

Well, they reversed themselves now, 2 years later, because of the Contract With America, because of their desire to cut $270 billion out of the Medicare proposal, because they want to give a $245 billion tax break for the wealthy, and because now they are all in the league with the Republican leadership.

This year, however, the same groups are scaring seniors by telling the seniors if the Republican plan to save Medicare is not adopted, they might lose their Medicare benefits. What the letters do not show is that the Seniors Coalition strongly supports the Republican plans to cut Medicare by $270 billion and to provide a $245 billion tax break, a great portion going to the wealthiest in America.

Second, many seniors are dipping into their savings—from their piggy banks, like the one shown here—to send so-called contributions to these three groups, thinking the money would be used to lobby Congress to save their Medicare Program. But what these seniors are not told and what they do not know—and they would have no reason to know—is that their dollars are being used, not to save Medicare, but to cut Medicare. A senior sends his check in to one of these groups, and their own money is being used against them, to cut Medicare benefits. This is a fraud. It is a sham.

And, after collecting savings from seniors, the groups spend a lot of it, up to 50 percent in the case of the United Seniors Organization, to pay direct-mail companies. Here we have the direct-mail contract between United Seniors Association and Mr. Viguerie. As part of the contract, Mr. Viguerie takes up to one-half of all of the dollars that are sent into USA. And Mr. Viguerie also does the direct mail for another of these groups called 60-Plus.

Experts have taken a look at this contract between Mr. Viguerie and 60-Plus. In fact, they have taken a very close look at this contract. These experts have all concluded that the provisions in Mr. Viguerie's contract, when added up, indicate that in fact he controls as much as 70 percent of the so-called ''not-for-profit'' 60-Plus. If this is true, what it means is that the American people, through tax exemptions—because it is a nonprofit organization—and postal nonprofit permits, are subsidizing a private fundraiser's operations. In these days of budget cutting, this sort of thing must be stopped.

Mr. President, I think this is an absolute outrage. In fact, it is my understanding the Postal Service is now investigating some of these issues. I hope they will pursue that investigation to its conclusion.

The money that remains after the direct mail people get their cut is used to send out more scare letters to seniors and to support the Republican plans to cut Medicare by $270 billion. Once again, the message is clear: Medicare is growing broke. Send us your money, and we will save it.

Well, seniors are sending in their money. And what they are doing with the seniors' money is it is used to cut, not to save, Medicare.

As I have stated, documents make it very clear that these groups are actively supporting the Republican plans to cut Medicare by $270 billion and to provide a $245 billion tax break, mostly for the wealthy. The ironic thing is that this is not what their members truly want.

This summer I received a petition from the United Seniors Association, one of Mr. Viguerie's groups, and they had on this petition the names of almost 300 Arkansans listed as ''members.'' I thought something looked strange about this petition, so I instructed my staff during the August break to sit there and call the people on this list, on this petition, and simply ask a very few basic questions. What we learned was most educational. It made me realize that their ''members'' do not necessarily know that they are members. They do not understand what these groups support, nor do they understand that their names are being used to lobby to cut their Medicare benefits.

This chart also shows the results of a phone survey of these Arkansans listed as USA members. First, 53 percent of the seniors listed on the USA petition that I received from Arkansas as members were not actually members. They said they were not members of USA, despite what the petition to me said.

Second, seniors listed in the USA petition to me expressed confusion about the positions that USA takes; 83 percent said they did not know that USA is working to rally support by the Republicans to cut Medicare by $270 billion.

These same seniors, on this list that was sent to my office as a petition, listed their opposition USA position's position on Medicare. Again, as a matter of fact, on Medicare, 89 percent were in fact against cutting it by $270 billion. They oppose the very position of USA that USA and the House majority claims they support.

In sum, the Republicans are saying that a lot of senior groups are supporting these cuts in Medicare. These charts I have shown indicate what these senior groups actually are, how they are motivated, and with whom they are associated.

It is not the case that these so-called seniors groups—Seniors Coalition, United Seniors Association, and 60-Plus—are fighting against these cuts in Medicare. In reality, two things are happening:

First, much of the money is going into the budgets of Richard Viguerie and other direct mail vendors.

Second, the lobbying that these groups are doing amounts not to the saving the Medicare Program but rather supporting the Republican Medicare cuts—even though these cuts could jeopardize the health care received by seniors.

Mr. President, now that we have basically looked at who the players are in this scheme to confuse and to manipulate older Americans, I would like to talk about the million-dollar television campaign that the Seniors Coalition is running across America.

The PRESIDING OFFICER. The Senator is advised that the time for morning business is expired.

Mr. PRYOR. Mr. President, I see no other Senator seeking recognition, and I ask unanimous consent that I may proceed for an additional 6 minutes.

Mr. WELLSTONE. Mr. President, will the Senator yield? Could I ask unanimous consent that it would be 10 minutes, and that I could have 4 minutes after the Senator?

Mr. PRYOR. I would have no objection to that. I see my colleague from Minnesota. I did not see him.

Mr. GRAMS. Mr. President, I have no objection. I had 10 minutes reserved earlier this morning. But I know the leader wants to close off morning business as early as possible because of the remaining debate on the resolution S. 1322 dealing with the Israeli question.

Mr. PRYOR. Mr. President, if I might, I would like to ask my friend from Minnesota, is my friend from Minnesota going to be one of the managers or one of those involved with the resolution or with the issue before the Senate?

Mr. GRAMS. No. I was going to go ahead with another statement. But I will yield to the Senator from Arizona.

Mr. KYL. Mr. President, if I could perhaps clarify this, it has been my understanding that we are operating under a unanimous-consent agreement which will cause the Senate to begin literally right now at 11 o'clock on the debate on the Jerusalem Embassy bill, and that the vote would then occur at 11:40. Is that a correct understanding?

The PRESIDING OFFICER. The Senator is correct.

Mr. KYL. And the leader has asked that we begin that debate as soon as people are here to speak to it. Until the leader or Senator HELMS arrives, I would be acting in their stead. I see Senator FEINSTEIN is here. I do not know whether others may wish to, but I would suggest, in order to comply with the unanimous-consent agreement, that we wind up the business we are on so we can get to that.

Mr. WELLSTONE. Mr. President, will the Senator yield for a moment?

Mr. KYL. Sure.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. WELLSTONE. I might say to my colleague from Arkansas that I withdraw my request, and I think the only question is whether the courtesy might be given to the Senator from Arkansas to finish his statement. He only has a few more minutes to go.

Mr. PRYOR. I will try to be very brief. I will try to proceed if I may.

The PRESIDING OFFICER. The Senator from Arkansas will proceed under a unanimous-consent request.

Mr. PRYOR. I ask unanimous consent that I may be allowed to proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KYL. Mr. President, I think it would then be important to indicate to Members that the vote would occur at 11:45, and not at 11:40.

The PRESIDING OFFICER. The Chair would observe that under the unanimous consent, under the previous order, the vote will not occur at 11:40 but at 11:45.

Mr. PRYOR. Mr. President, I want to sincerely thank my colleagues, and my colleague from Arizona, for allowing me to proceed.

Mr. President, as part of the million-dollar Seniors Coalition ad campaign that we are talking about, the television commercials state that in the Republican plan there are ''no cuts in benefits.'' The facts are simple and indicate otherwise. With this particular Republican plan that the ad campaign is supporting, $270 billion will taken out of Medicare. The question is this: If this level of cuts causes the only hospital to which we have access to close its doors, is this not a cut in benefits? In rural America this is exactly what is about to happen to hundreds of hospitals.

Second, if this level of cuts causes the nursing home or a doctor in our town to stop taking Medicare beneficiaries, is this not a cut in benefits?

Third, if this gives incentives to home health care agencies and other providers to treat only healthy people, is this not a cut for older and more frail citizens?

There is another claim expressed in this television commercial. This commercial states that ''the Republican plan increases spending by nearly $2,000 per senior.''

The fact is, Mr. President, that the yearly per beneficiary growth rate allowed under this plan is 4.9 percent. It is, in fact, much below the expected 7.1 percent growth rate in private sector health care costs. Medicare's ability to respond to health care costs decreases with the severity of these cuts.

Mr. President, the commercial further states that the Republican plan gives ''patients more choices.'' The fact is what good is offering choices when only bad choices are offered? While seniors may have more health care plans to choose from, choosing the one that they can afford may mean they must give up their choice of a physician.

And, finally, the proposed medical savings account threatens the viability of Medicare by allowing insurance companies to cherry-pick by moving healthy, wealthy people out of the Medicare pool. The result would be far higher costs to the beneficiaries who stay in Medicare.

Also, the Seniors Coalition television ad says nothing about the Republicans using the cuts in Medicare to fund tax breaks for the wealthy. Why is this, Mr. President? It is perhaps because seniors who are actually paying for these commercials do not want the Medicare Program to be cut to fund tax breaks. I think this is a legitimate question.

Mr. President, only $89 billion is actually needed to shore up Medicare's trust fund in the short term. Why then are our people not being told where the $181 billion cuts are actually going to go? Were those same seniors who sent their dollars to Mr. Viguerie's groups told this? Of course not. They have been used, they have been abused, and they have been manipulated by a slick campaign of distortion and untruths.

Mr. President, this is a situation where the seniors of America are being scared to death. They are sending their money in to basically, as the letters call for, to protect Medicare.

Mr. President, this television advertising campaign cost the Seniors Coalition $1 million and is running in 19 markets across the country. I want to make sure everyone knows that this campaign was paid for by the elderly, many of them poor and disabled, who sent in money thinking that the Seniors Coalition was going to lobby the Congress to save their Medicare Program— not cut it.

That is why my advice to seniors who are thinking about sending their hard-earned savings to these three so-called seniors groups is that ''Contributions May Be Hazardous to Your Health.'' They should think twice before writing a check to a Viguerie-founded group.

As I said earlier, I am here today to sound the alarm and expose this scam. I am concerned not only because some seniors are being taken advantage of, but also because this scam is a cynical manipulation of our political process. It threatens the democratic principles under which we operate.

Americans who think they are getting involved with the political process are actually being financially exploited. Furthermore, they are not being represented the way they think they are. This is a perfect example of why so many people today have such little confidence in our political system.

Mr. President, older Americans—all Americans—can say ''no'' to this type of cynical manipulation and misrepresentation.

Let me encourage every senior to get involved with reform of their Medicare

Program. They can write a letter to us in the Senate. They can call. They can visit. They can fax. But, they do not need to send money to a direct-mail vendor in order to be heard in the Congress.

Mr. President, before seniors send in $10, $20, or $30 to these so-called seniors groups they should consider the following. The most effective way only costs 32 cents. I will always place more importance on a personal letter or a visit from one of my constituents than on a letter or preprinted card from a group that distorts their views.

Mr. President, I ask unanimous consent to have printed in the RECORD certain material, editorials, and extraneous matter that relate to this issue that I have discussed this morning.

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

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC, October 23, 1995.

Hon. DAVID PRYOR,
Ranking Minority Member, Senate Special Committee on Aging, U.S. Senate, Washington, DC.

DEAR SENATOR PRYOR: Thank you for forwarding the September 22, 1995 letter of the *Coalition for America's Future*. Regrettably, that letter lists our organization as a member of this coalition and falsely implies our support for its position in favor of the $245 billion tax cut package contained in the budget reconciliation bill.

I want to emphasize in the strongest possible terms that the National Committee to Preserve Social Security and Medicare did not endorse this letter or approve of the use of our organization's name in connection with this letter. We had no advance knowledge that it was sent to Congress and only learned of its existence today after you forwarded it to us.

Our position in strong opposition to the pending budget reconciliation bill is well known to Congress. It is the position of this organization that the $270 billion cut in Medicare to finance tax cuts, primarily for upper income individuals and corporations, is unfair and unjustified. We supported an alternative bill in the House which eliminated the tax cuts and made only those cuts in Medicare necessary to insure its solvency.

If you have any questions, feel free to contact me.

Sincerely,

MARTHA A. MCSTEEN,
President.

[From the Washington Post, Oct. 2, 1995]

FUNDRAISER ALREADY A MEDICARE WINNER

(By Jack Anderson and Michael Binstein)

The battle to reform Medicare still has a long way to go on Capitol Hill, but it's already clear who one of the biggest winners will be: Richard Viguerie, the conservative king of direct-mail fund-raising.

Three groups founded by Viguerie—the Seniors Coalition, the United Seniors Association and 60-Plus—have teamed with the House Republican leadership to gather public support for its controversial Medicare changes. The Coalition to Save Medicare was launched in July and includes the three seniors' groups, in addition to leading industry groups such as the National Association of Manufacturers and the Alliance for Managed Care.

But according to documents uncovered by the Democratic staff of the Senate Special Committee on Aging, much of the money being raised by two of the three seniors' groups is going straight to Viguerie's for-profit company.

Although the Seniors Coalition is no longer associated with Viguerie, having severed its ties with him in 1993, the two other groups remain dependent on Viguerie's fund-raising prowess. United Seniors Association, for example, signed a contract with Viguerie's for-profit direct-mail firm, American Target Advertising, that calls for ATA to receive as much as 50 percent of gross revenue from direct mail until July 30, 1996. After that, ATA will get 25 percent of the take.

In Viguerie's contact with 60-Plus, Viguerie & Associates—later reorganized to become ATA—is slated to own 70 percent of the income for the life of the mailing lists. According to direct-mail experts, this means Viguerie ''owns'' 70 percent of the organization, including its fund-raising operation. Some direct-mail experts wonder if 60-Plus should be allowed to retain its nonprofit status, which lets it mail solicitations at taxpayer-subsidized rates.

''I've never seen anything like this [contract],'' Sen. David Pryor (Ark.) told our associate Jan Moller. Pryor, the ranking Democrat on the Aging Committee, has been directing the Hill investigation. ''I've never seen one this flagrant. The worst part of it is the real deception. They're collecting the dollars from the seniors and using those dollars to reduce these programs that are so necessarily for their quality of life.''

The Viguerie style of fund-raising is as familiar as it is effective: It starts with a ''scare'' letter warning seniors of the imminent collapse of Medicare unless something is done. It ends with a request for money, often accompanied by a petition to sign or some other device so respondents can get their ''voice'' heard in Washington. Viguerie did not respond to our telephone calls.

But when Aging Committee staff members called a sampling of Arkansas seniors whose names appeared on a ''telegram'' sent to Pryor's office by United Seniors Association, they got a surprise: Less than 15 percent of the seniors said they supported the Republican effort to cut Medicare spending by $270 billion. And only 47 percent acknowledged being members of the association.

Mr. PRYOR. I thank the Chair. I also once again thank my colleagues for allowing me to go a little longer than I had originally anticipated.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mrs. HUTCHISON). Morning business is closed.

JERUSALEM EMBASSY RELOCATION IMPLEMENTATION ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1322, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1322) to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

The Senate resumed consideration of the bill.

Mr. KYL. Madam President, I ask unanimous consent that Senator KOHL be added as a cosponsor to the legislation.

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

Mr. KYL. I also ask unanimous consent that the time consumed as a part of this debate be subtracted from the time originally provided for Senator BYRD from West Virginia.

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

Mr. WELLSTONE. Madam President, might I ask unanimous consent to add my name as an original cosponsor?

The PRESIDING OFFICER. Without objection, Senator WELLSTONE will be added as an original cosponsor.

Mr. KYL. May I also ask unanimous consent that a letter received this morning addressed to Senator DOLE, Senator MOYNIHAN, myself, and Senator INOUYE from AIPAC be printed in the RECORD.

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

AIPAC,
October 24, 1995.

DEAR SENATORS DOLE, MOYNIHAN, KYL, AND INOUYE: We wish to express our strong support for the Jerusalem Embassy Relocation Act, as modified. It is historic and unprecedented. For the first time, the Senate will have voted on binding legislation to move our embassy to Jerusalem by a date certain, May 31, 1999.

The waiver language contained in the bill is very tightly drawn, allowing the President to waive the funding provision only to protect US national security interest—a very high standard to meet. Clearly, the Senate has indicated that it does not expect this waiver to be exercised lightly, without strong and serious justification. Our embassy belongs in the capital of the State of Israel, just as it is in the designated capital of every other country with which we have diplomatic relations.

As celebrations continue marking the 3,000th anniversary of King David's incorporation of Jerusalem as the capital of Israel, we wish to thank you and your colleagues for bringing this legislation to the floor. We look forward to its overwhelming adoption by the Senate, and to the opening of our embassy in Jerusalem.

Sincerely,

STEVE GROSSMAN,
President.
NEAL M. SHER,
Executive Director.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I want particularly to commend and thank the Senator from Arizona as well as the majority leader, Senator LIEBERMAN, Senator LEVIN, and in particular Senator LAUTENBERG, because I believe that together we have effected an agreement which is significant and important.

Before I go on, I just want to say I am fully aware that the majority leader and the Senator from Arizona could have proceeded on this issue. Clearly they have the votes. I think the fact that they negotiated with those of us who had concerns about the way in

which the resolution was worded is very significant and important, and I must say I believe that is why the American people sent us here and how they expect us to work.

And so to the Senator from Arizona, I would like to offer my deepest respect and thanks for the process which I think worked very well, and I think we now have a bill which can bring about the broadest and I hope even unanimous consensus of this body.

Madam President, I think we all must recognize that Jerusalem is a city of vital importance to people all over the world—not just Israel, not just Arab peoples, but people all over the world. Its layers of history and importance are symbolized best perhaps by the Temple Mount where the Dome of the Rock and the El-Aqsa Mosque, shrines holy to Moslems, sit atop the remains of the Temple of Solomon, while down below Jews worship at the Western Wall, the last remnant of that temple.

One can stand in the Old City and hear simultaneously the Moslem call to prayer from the minarets of the mosques, the sounds of the Torah being read down by the Western Wall, and church bells ringing in the distance. It is truly a special city, and Israel is fortunate to call Jerusalem its capital.

The bill we will pass today, as modified by the leader and the Senator from Arizona, is a good bill, and I believe it is one the President can sign. We worked hard Friday and again yesterday to produce a compromise that protects the President's prerogatives to conduct foreign policy. This was a crucial point because without these protections there was a good chance that this bill would be vetoed, which would be a tragic outcome.

Under our compromise, the President would have to establish that it is in the national security interests of the United States to postpone establishing the U.S. Embassy in Jerusalem in 1999. This is a tough but fair standard for any President to meet. As I said yesterday, it is my belief that if a successful conclusion to the Middle East peace process could be imperiled by the implementation of this act, then the President would be able to invoke the waiver on national security grounds. I am sure that many of my colleagues agree. But the inclusion of the waiver should not obscure the achievement reached by this bill.

For the first time ever, Congress will pass legislation that will mandate moving the U.S. Embassy to Jerusalem, and I believe the President will sign it. This represents a major advance in our cause of moving the Embassy. And through this message we will send word that Israel, like every country in the world, has the sovereign right to designate its capital and to have that capital recognized by the nations of the world.

I congratulate my colleagues on this achievement, and I look forward to it passing with overwhelming support.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the majority leader.

I might say to the majority leader that I will take just a few minutes. I actually rise to, first of all, thank the Senator from California and the Senator from Arizona and others for their fine work on this measure. I believe that this is an extremely important step we are taking as we act on this resolution to move our Embassy in Israel to Jerusalem, and to condition certain State Department funding on the Embassy's relocation under the specific timeline laid out in this bill. I rise in support of this legislation, and I am delighted to be a cosponsor of the compromise negotiated over the last few days.

Madam President, let me first talk about this issue personally, because the status of Jerusalem is important to me personally, and will always be. As an American Jew, as a Senator from Minnesota, I believe Jerusalem is and should remain the capital of Israel, an undivided city. Never in my life have I had a more moving experience than when I was in Jerusalem a few years ago, and could experience first-hand the marvels of the city.

At the same time, I have had a concern—and I think the Senator from California, Senator FEINSTEIN, and from New Jersey, Senator LAUTENBERG, and others shared this concern—that certainly we did not want to do anything inadvertent which was going to impede the Mid-East peace process. And for this reason I believe that the waiver provided for in the substitute bill is extremely important. The administration has been clear about this concern all along. In fact, United States Ambassador to Israel Martin Indyk observed that moving forward on the original version of the resolution could have placed tremendous strains on the peace process, and even caused its collapse. This measure now tries to address that potential problem.

Our deep and abiding commitment to Israel is reflected in the bill. Our commitment to Jerusalem as the capital of Israel, with the United States Embassy there, is again strongly and clearly stated. At the same time, the clear commitment to Jerusalem as a city for all peoples is there. This was the most sensitive of all issues in the peace process, agreed to be put off by the parties, in the Declaration of Principles, to final-status negotiations. I think that with this provision we now have in this bill something which I would hope all of us can support.

The initial formulation in the bill, which talked about the importance of Jerusalem as the capital, which talked about our locating our Embassy there, I supported. When we began to talk about this in terms of specific timelines, the concern I had was the effect this could have on ongoing negotiations. Those concerns have now been addressed in this most recent version.

Mr. President, passage of this resolution would be simply another indication of the deep and strong support for Israel in this body. That is critical, I think, because our support for Israel must remain strong and steadfast in this difficult period. Maintaining the security of the State of Israel, our good friend and strategic ally, must remain paramount. We must continue to work actively to help her achieve and maintain peace with her neighbors. This requires maintaining adequate foreign assistance to Israel designed to help her resettle refugees, make key economic reforms, and encourage peaceful economic development. Strengthening and building upon historic gains in the peace process, and making sure that the risks which have already been taken for peace were not taken in vain, must be our twin goals.

I think we now have the strong language necessary to accomplish the goal of this resolution. At the same time, we have the waiver built in to give the President appropriate flexibility. I think that now this version of the bill represents the best of people here in the Senate coming together, and working out an agreement which we can all proudly support. I thank my colleagues for their work. I am proud to support this. And I did ask earlier that my name be included as an original cosponsor.

I yield the floor.

Mr. SPECTER. Madam President, I support the pending legislation to move the United States Embassy from Tel Aviv to Jerusalem because I believe that our Embassy should be located in the capital of Israel, which is the custom for all our other Embassies.

I have long supported this proposition, Madam President. A bill was introduced back on October 1, 1983, Senate bill 2031, which I cosponsored. Back on March 26, 1990, Senate Concurrent Resolution 106 was submitted. Again, I was a cosponsor of that measure. I have cosponsored the pending legislation.

I do have some concerns, Madam President, as to whether such legislation would be an impediment to the peace process, but on balance I think it would not, especially as the legislation has been worked out giving a Presidential discretionary period to expand the time when the Embassy would be moved from Tel Aviv to Jerusalem.

I believe that basically this is a decision which ought to be made by the U.S. Government, and it is entirely appropriate for the legislation to come from the U.S. Senate and for us to take a stand on this matter.

Madam President, today is an auspicious moment for me and many here in the Senate. We are taking action by the passage of S. 1322 to call again on the President of the United States to move the United States Embassy to its rightful location in the city of Jerusalem, the capital of Israel. This is a welcome moment.

I have supported this action since I came to the Senate. I first cosponsored a resolution on this issue introduced on October 1, 1983. That resolution (S. 2031) was cosponsored by 50 Senators. Now, some 15 years later, it is my hope that with the momentum of the peace process, the message of the cosponsors to this bill will resonate sufficiently to move the administration to action on this.

On March 26, 1990, Senate Concurrent Resolution 106 was submitted and was subsequently passed calling for the move of the Embassy to Jerusalem. Again, the Congress acted on this subject through its recent correspondence on February 24, 1995 in its letter to Secretary of State Warren Christopher signed by 93 Senators.

During the August recess, I traveled to Israel as well as other countries. On September 28, I stated here on the Senate floor my impressions of the challenges facing American foreign policy in the near future. It was during that travel that I was able to speak directly with the President of Israel, Ezer Weitzman, Prime Minister Yitzhak Rabin, the leader of the opposition party Mr. Benjamin Netanyahu, as well as Chairman of the Palestine Liberation Organization, Mr. Arafat and significant Palestinian personalities now engaged in attempting to fashion a means to live side by side, Israelis with Palestinians. Many times during these conversations, we spoke of Jerusalem and the future. All of us were aware of the importance of Jerusalem to the future of the region.

Tomorrow, Members of Congress and their guests will convene in the Capitol Rotunda to celebrate the Inaugural ceremony for Jerusalem 3,000, a 15 month long celebration commemorating 3,000 years since the establishment of Jerusalem as the capital city of Israel by King David. I hope to be in attendance at this ceremony.

The action we take today is consonant with the observance of the ceremony as well as with the policy we have around the world in every country we recognize. The United States today locates its embassies, around the globe, in the city designated by the respective country as its capital. It is long overdue that this is our action in Israel. It is most appropriate that, as we move toward the period when both sides in the conflict are scheduled to move into negotiations over a permanent resolution, that the commitment to a date certain be made for the opening of our embassy.

We have been, and continue to be, the catalyst in bringing the parties to resolution; it is my hope that our action in the Senate today will be accepted and acted upon by President Clinton and that no further roadblocks will be put up which would impede the opening of the Embassy in Jerusalem on May 31, 1999, as provided for in this legislation.

I think it is very, very important that Jerusalem remain undivided, and I think the expression by the U.S. Congress putting into law the timetable for moving our Embassy from Tel Aviv to Jerusalem is entirely appropriate, and accordingly I support that legislation. I yield the floor.

PROTECT THE PEACE PROCESS

Mr. BYRD. Madam President, this bill, which would mandate a move of the U.S. Embassy from Tel Aviv to Jerusalem by May 31, 1999, may be popular with a very vocal segment of the United States population, but it represents precarious foreign policy for the United States as a whole. The United States has played a central role in carrying forward the very difficult and sensitive negotiations that will, hopefully, bring a lasting peace to Israel and the Middle East. It ill behooves us now to undermine what is arguably the single most sensitive issue of the negotiations, that of the status of the holy city of Jerusalem, by impetuously acting to side with one party to the negotiations. If the United States is to be credible as a facilitator of the peace process, it must act with fairness and impartiality.

Proponents of this legislation argue that negotiations on the final status of Jerusalem are to be complete by May, 1999, so that this bill is compatible with the timetable of the peace process. But this presupposes the outcome of the negotiations, which do not even begin until next May. This may be exactly what the proponents desire. If it is ''imperative to establish now the U.S. conviction that realistic negotiations must be premised on the principle that Jerusalem is the capital of Israel and must remain united,'' as an October 20, 1995 mailing from the American Israel Public Affairs Committee (AIPAC) asserts, then what is left to negotiate at all? Acting in advance of the negotiations undermines the incentive for the Palestinians, who also have political and religious claims to the city, to participate in the talks.

United States support for Israel is well known. Israel and the United States have close military and diplomatic ties. The United States provides more economic aid and military assistance to Israel than to any other single state. Moving the United States Embassy from its current location in Tel Aviv to Jerusalem at this time is not necessary to help shore up Israeli support for the peace process. It can wait and let the ground breaking in 1999 serve as a visible signal of the success of the peace negotiations, should the outcome be as expected. Not moving the Embassy at this time is, in my view, probably more important to help shore up the willingness of the Palestinians to continue along this rocky path to peace. Let the ground breaking for a new U.S. Embassy in Jerusalem in 1999 be a visible sign of U.S. support for the final outcome of the negotiations, if that is the result, rather than a continuing reminder to them that the negotiations were rigged from the outset.

Jerusalem is an ancient city, considered holy by three of the world's religions, Christianity, Judaism, and Islam. There is no more volatile mixture in the world than religion and politics, and Jerusalem has suffered the devastating effects over the centuries as wars, occupations, and divisions have forever marked her walls and buildings. Peace is within our grasp, if we can act with sensitivity to acknowledge the ancient and competing claims to this most contested plot of land. No one, I believe, wants a city torn by terror and divisiveness, a Jerusalem that cannot stand as a beacon of tolerance and understanding among three religions and all of the peoples of the Middle East. Therefore, I will vote against this bill, which does so much to undermine the peace process.

Mr. ROBB. Madam President, I recognize the city of Jerusalem as the united, undivided, eternal, and sovereign capital of Israel, and where the United States Embassy is located should reflect that reality. While some have urged caution about relocating our mission in the midst of the peace process, it is my sense that such a move, as envisioned by the Jerusalem Embassy Relocation Act, will not create a detour on the road to achieving a comprehensive Arab-Israeli peace.

Jerusalem stands today as an international city, where the rights of all ethnic religious groups are protected and freedom of worship is guaranteed. Diverse religious faiths coexist peacefully. This week we are seeing a hopeful spirit of internationalism expressed by many world leaders celebrating the founding of the United Nations 50 years ago. Like the community of nations joining together in support of the United Nations many religious faiths and sects engender a collective spirit of interdenominational harmony in Jerusalem.

Madam President, Prime Minister Rabin has told the Israeli people that ''I assure you that Jerusalem will remain united under Israel's sovereignty, and our capital forever.'' That expression leads me to the conclusion that the final status talks on the city should not focus on issues of overall sovereignty. Rather, making permanent each denomination's jurisdiction over its respective holy sites and collateral issues of autonomy should be the subject of the negotiations next year.

Even President Clinton has stated that ''I recognize Jerusalem as an undivided city, the capital of Israel—whatever the outcome of the negotiations, Jerusalem is still the capital of Israel and must remain an undivided city, accessible to all.'' That statement represents a consensus that our Embassy belongs in the functional capital of Israel.

Among the 184 countries we maintain diplomatic relations with, Israel is the single exception to the rule of locating

the United States chancery in the designated capital of each foreign nation. We have a responsibility to respect the decisions of where all countries locate their seat of government, and Israel should not be viewed in a different light.

Thus far in the peace talks, Israel has sacrificed the tangible—land—for the intangible—the security of its people. As we continue down the road of peace, Israel will cede valuable territory, natural resources, and political authority, while Palestinians will enjoy broader political and economic freedoms. There are no long-term guarantees for Israel. A single Hamas-sponsored terrorist attack can disrupt any sense of peace achieved at the negotiating table.

Madam President, that is why I endorse this move to demonstrate our long-term commitment to having our Embassy in Jerusalem which will symbolize the united and undivided character of this city. Such a move will not stand in the way of achieving a comprehensive peace. It will simply lay to rest doubts about the U.S. position on the status of our Embassy.

I also support the modified substitute offered by the majority leader last night that includes compromise language providing the President a national security interests waiver. I think it is appropriate that the President should be given the authority to waive the legislation if it would have dire consequences on the peace process.

Madam President, I joined as a cosponsor of this legislation some time ago, and believe it sends the right message at the right time to Israel. It is our decision alone to move the Embassy. With upcoming ceremonies in the rotunda of the Capitol celebrating the 3,000th anniversary of Jerusalem as the capital of Israel, I believe we will be serving the interests of peace in the Middle East by passing this legislation. So I urge my colleagues to support this effort to relocate our Embassy to the capital of the Jewish homeland.

Mr. COHEN. Madam President, this week in the Capitol rotunda the United States Congress will host the United States Inaugural Ceremony of Jerusalem 3000, beginning the celebration of the 3,000th anniversary of the establishment of Jerusalem as the capital of Israel.

It is a particularly appropriate time for the Senate to act on this important legislation that would reaffirm our commitment to Jerusalem as the undivided capital of Israel by directing the relocation of the United States Embassy to Jerusalem by 1999.

It has been over a decade since a majority of the Members of Congress, and I was proud to be among this group, called for the movement of our Embassy to where it belongs—in the capital of Israel. Since then, as Senator MOYNIHAN has recited in detail, the Senate and the other body have repeatedly adopted by overwhelming and frequently unanimous votes legislation calling on the United States to affirm Jerusalem as Israel's undivided capital.

Most recently, nearly every Member of the Senate signed a letter to the President urging that the relocation take place no later than May 1999. This letter clearly rejected the assertion of some that declaring our intent to move our Embassy would endanger the peace process, noting that:

> United States policy should be clear and unequivocal. The search for peace can only be hindered by raising utterly unrealistic hopes about the future status of Jerusalem among the Palestinians and understandable fears among the Israeli population that their capital city may once again be divided by cinder block and barbed wire.

We also endorsed in that letter Prime Minister Rabin's declaration that ''United Jerusalem will not be open to negotiation. It has been and will forever be the capital of the Jewish people, under Israeli sovereignty, a focus of the dreams and longings of every Jew.''

The bill we have before us, of which I am proud to be an original cosponsor, brings this legislative process to fruition by establishing in law United States policy that Jerusalem should be recognized as the capital of Israel and that our Embassy should be relocated there no later than May 31, 1999, and by authorizing funding beginning this year for construction of a United States Embassy in Jerusalem.

To help that ensure the executive branch implements this policy faithfully, the bill requires semiannual reports from the Secretary of State, beginning in January, on the progress made toward opening our Embassy in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Israel's capital. As a practical matter, this limitation would not actually take effect until the middle of the year 2000, given the historical spend-out rates for the State Department's construction budget. But it emphasizes the importance Congress places on this matter.

Even with this inherent flexibility, however, the administration has shown resistance to this legislation. In response, Senator DOLE has now added a broad waiver authority that would allow the President to suspend this limitation on State Department construction if he believes it is necessary to protect the national security interests of the United States.

I should also note that the bill carefully states that the rights of every ethnic and religion group should be protected in the undivided capital of Jerusalem. Three major faiths revere Jerusalem as a holy city. The best way to protect the religious interests of members of all these faiths is to ensure that Jerusalem never again is divided, which would only threaten to reignite religious conflict.

Madam President, Senator DOLE and Senator MOYNIHAN are to be commended for their persistent leadership in ensuring that this legislation has finally come for a vote on the floor of the Senate. I hope that, once the House of Representatives gives its approval, this legislation will be signed into law by the President, who during the 1992 campaign clearly stated that ''I recognize Jerusalem as an undivided city, the eternal capital of Israel.'' Given the very strong support this bill rightly enjoys in both Houses of Congress, I think the President's advisers would be unwise to suggest another course of action.

And once this bill is enacted into law, through whichever mechanism, I trust that the President will move expeditiously to implement it and attain its objective before the May 1999 deadline.

Madam President, many of us in the Senate have had the opportunity to help cultivate America's special relationship with the State of Israel. As a strategic ally and an island of stability and democracy in an important but troubled region, Israel steadfastly supported American interests during the cold war. During the gulf war, when Saddam Hussein sought to gain control over Middle Eastern energy resources, Israel stood firmly with America, enduring savage attacks on its civilian population that were designed to split Israeli policy from United States policy.

Having protected U.S. interests in a hostile region for decades, the American-Israeli strategic alliance today is the foundation for the Middle East peace process. Without steadfast United States support for Israel, those among Israel's neighbors who have accepted the necessity for a negotiated peace settlement would not have done so. And without our continued steadfast support, the peace process will not be successful. Nowhere is this need greater than on the question of the status of Jerusalem.

Jerusalem is and will remain the undivided capital of the State of Israel, and we must not miss the opportunity to underline that fact—particularly today on the eve of the inauguration of the celebration of the 3,000th anniversary of Jerusalem's establishment as the capital of Israel. This legislation will help to ensure that the fourth millennium of this holy city will begin with an era of peace.

I urge my colleagues to support this legislation, so that we can pass it with a large majority and ensure its swift enactment into law.

Mr. LOTT. Madam President, I rise in support of S. 1322, a bill to relocate the United States Embassy in Israel to Jerusalem.

In the over 180 countries where the United States has a diplomatic presence, Israel is the only country where our diplomatic presence is outside of the capital city. It is time to pledge ourselves to moving our Embassy to Jerusalem, which is the legitimate capital of Israel. It is in our interest to

strongly support Israel and its continued administration of Jerusalem.

I am a cosponsor of this legislation, along with 63 other Senators. In a year some characterize as a very partisan year, you have a bipartisan consensus on this issue. Senators have come together for the national interest, something which is above politics.

This is what this bill is all about: The national interest. I have heard that this bill is solely about politics of the Presidential kind. That is not true—the proof is in the list of cosponsors: This list is bipartisan and balanced.

I have heard the argument against this bill, that moving our Embassy ahead of schedule would endanger the Middle East peace process. I am not persuaded by this argument. The United States has consistently recognized Jerusalem as Israel's capital. If we want to be an honest broker in peace talks between Israelis and Palestinians, we should be honest about our view of Israel's sovereignty over Jerusalem.

This bill would allow us to break ground in 1996 for the new Embassy. Next year will be the 3,000th anniversary year of Jerusalem. King David relocated his throne from Hebron to Jerusalem 3 millennia ago. Next year, America should move its Embassy to the city of David.

This bill is not a statement of animosity against any religion. Almost all Senators are on record supporting Israel's administration of Jerusalem as a unified and universal city, open to all followers of the three great world religions. This it has done for 28 years, and that will not be jeopardized.

This bill is not a statement against any country. This bill is for the official recognition on our part that our ally Israel has its governmental seat in Jerusalem. The peace negotiations can and should continue. We should facilitate such negotiations. Relocating our Embassy does not and should not have anything to do with ongoing peace talks.

So I think we should pass this bill, and I think the President should sign it. Jerusalem has always been at the crossroads of history and faith. We should begin next year to place our presence there.

I am reminded that people of the Jewish faith say at the end of the Passover and Yom Kippur services, ''Next year, in Jerusalem.'' This expresses their hope of return and the centrality of Jerusalem in the Jewish faith.

I say something similar, Madam President: That I hope this bill passes, and next year, we will be in Jerusalem breaking ground for a new Embassy in the Holy City.

Ms. MIKULSKI. Madam President, I rise as a cosponsor of the Israel Embassy Relocation Act. I thank the sponsors of this legislation for amending it to give Israel more flexibility on when construction on our new Embassy will begin.

Jerusalem is and always will be the capital of Israel. For thousands of years the Jewish people prayed, ''next year in Jerusalem.'' This prayer helped to sustain Jews even through the darkest days of the diaspora.

Even after Israeli independence, the holy sites of Jerusalem were closed to Christians and Jews. The Jewish quarter of the old city was destroyed. But since Jerusalem was unified in 1967, Jerusalem is open to all religions for the first time in its history.

I have visited Israel with Jews who were there for the first time. When we visited the Western Wall, I saw what it meant for them to touch the stones that their ancestors could only dream of. I saw that Jerusalem is not just a city or a capital. It is the religious and historic homeland of the Jewish people.

Why is Israel the only nation with which we have diplomatic relations that is not allowed to chose its own capital? The sight for the U.S. Embassy is in west Jerusalem, which has been part of Israel since its independence. We should have moved our Embassy long ago.

So over the years, I have supported every effort of Congress to call upon the executive branch to move our Embassy to Jerusalem. And each successive administration has ignored us.

But now, as Israel takes courageous steps toward peace, we are raising this issue again. And what should have been a clear statement on Jerusalem has become a political debate.

When this legislation was first introduced, I had some concerns about the requirement that construction on the new Embassy must begin in 1996. I did not cosponsor it because I believe that we would be imposing our own deadlines on the peace process. This new bill removes the arbitrary dates that fit United States elections rather than the will of the Israeli people. This issue is too important to politicize.

Madam President, this year we celebrate the 3,000 anniversary of Jerusalem. Let us mark this great event by reaffirming that Jerusalem is and always will be the capital of the State of Israel.

Mr. HATCH. Madam President, I stand here today to strongly support S. 1322, the Jerusalem Embassy Relocation Act of 1995.

I wish to commend the majority leader for his efforts in introducing this bill. I also wish to commend the efforts of Senator KYL and a number of my Democratic colleagues for ensuring that we possess a bill that will have, I hope, unanimous support here in the Senate.

The issue of Jerusalem has been debated on this floor for over a decade. I have always believed that Jerusalem is the capital of Israel, and I believe that now is the time for the United States Congress to recognize this reality. That is why I signed the letter to Secretary Christopher on March 20, 1995—along with 92 of our colleagues—that declared that ''we believe that the United States Embassy belongs in Jerusalem.''

I understand that this legislation has been modified to address concerns that we may be restricting the President's foreign policymaking powers. With these modifications, I encourage the administration to join us in correcting a diplomatic anomaly that we have visited on our closest ally in the Middle East for too long: Of the diplomatic relations we hold with over 180 nations around the world, Israel is the only country in which our Embassy is not in the capital.

I have been and remain a strong supporter of the Middle East peace process. But through the years of my support, I have always maintained that the policy process must be driven by the participants, and that the United States' role is to support, not dictate, the terms of the negotiations. Israel has made some courageous concessions over these negotiations. It has waged a fight for peace that has been, on some days, as bloody as its previous wars.

Next year will begin the ''Final Status'' negotiations. There has been much positioning by certain parties over the future of Jerusalem. But Israeli governments have not vacillated over this issue, and their position has always been clear: Jerusalem is the seat of the Israeli Government, and Jerusalem shall remain the united capital of Israel. This is the conviction of the Israeli Government, the only democratic state and our most valuable ally in the region.

This should be our conviction now. Our ambivalence beyond this point will only muddle, and I believe frustrate, the final status negotiations. The parties must set the terms, and we must not confound expectations by perpetuating the anomaly of the U.S. Embassy in Tel Aviv. If we wish to continue supporting the peace process, and I firmly believe we should, then we must make clear that it is the policy of the U.S. Government to have its Embassy in Jerusalem by the conclusion of the peace negotiations at the end of this century.

Jerusalem just celebrated its 3,000th anniversary. Let us now declare that the U.S. Embassy will reside in that holy city by the end of this troubled 20th century. Let us now pass resoundingly S. 1322.

Ms. MOSELEY-BRAUN. Madam President, I strongly support S. 1322, the Jerusalem Embassy Relocation Implementation Act, legislation which would locate the United States Embassy in Israel in Jerusalem, Israel's capital city.

It is customary, indeed, universal, that an embassy is located in the capital city of every sovereign nation in which a diplomatic presence is maintained; that is why I cosponsored S. 1322, along with 62 of my colleagues.

Madam President, Jerusalem is Israel's chosen seat of government. It is where the President, Prime Minister, Parliament, Supreme Court, central

bank, and all other authoritative institutions of state are headquartered. It has been the capital of Israel since 1950. Moving the American Embassy is nothing more than an acknowledgment of what is in fact the reality—Jerusalem is the capital of the State of Israel.

Presently, the United States maintains diplomatic relations with 184 countries around the world. Of these, Israel is the only nation in which our Embassy is located in a city not regarded by the host nation as its capital.

Imagine, Madam President, the huge outcry, within and outside of government, if any foreign nation refused to locate its embassy in our capital or insisted that it would maintain relations with us, but not in the location we designated as our capital city. That kind of refusal would create serious and unnecessary tensions between the United States and that country. After all, the question of where to locate the capital of the United States is for the United States to decide—and no one else.

That same logic applies in this case to the capital of Israel. The question of where to locate its capital is for Israel to decide and no other nation or power to frustrate. And Israel decided long ago that Jerusalem would be its capital.

If the argument is made that Middle East peace negotiations are at a delicate stage, and that this is not the time for this legislation, my response to that is: Peace negotiations are always at a delicate stage. The pendency of discussions should not force an untenable discrimination against one of the negotiators.

Jerusalem has been the capital of Israel since 1950. The time for waiting is over. Forty-five years is a long enough period for closure of what should be a matter of simple fairness.

Critics of this legislation also argue that the passage—even the discussion—of this legislation will undermine the peace process, thereby harming Israel's security and strategic interests. However, the Government of Israel and its citizens, the ultimate authorities on Israel's security and strategic interests, do not share that view. They enthusiastically support the relocation of the American Embassy to the capital city, Jerusalem.

Others argue that the relocation of the American Embassy to Jerusalem would prejudge and prejudice the final status of Jerusalem negotiations under the Oslo agreement. I do not agree. The site the United States is considering for a future Embassy is in an area that has been part of Israel since its founding in 1948. Moreover, Israel's right to this section of Jerusalem is uncontested, even by the Palestine Liberation Organization.

Madam President, I understand and appreciate the uniqueness of the city of Jerusalem. It is unique in the world as a holy place. The hilltop city is sacred to Jews as the site of their ancient temple, to Christians as the birthplace of Christianity, and to Moslems as the site from which Muhammad ascended into heaven. It is all of these things—and it is also the capital of Israel.

Each and every U.S. Embassy abroad exists to represent our Government to the government of the country in which it is located. The Government of Israel is in Jerusalem. Jerusalem, therefore, is the only place our Embassy should be.

The logic of locating our Embassy in Israel's capital city is overwhelming and compelling, which is why this legislation enjoys such widespread, bipartisan support in both the Senate and the House of Representatives. I urge the prompt passage of this legislation, and I look forward to the day in the near future when the United States Embassy opens in Israel's capital—Jerusalem.

Mr. FEINGOLD. Madam President, I am proud to be a cosponsor of the Jerusalem Embassy Relocation Implementation Act. Like almost all of my colleagues, I believe that an undivided Jerusalem is the legitimate capital of the State of Israel, and that United States policy should clearly reflect that. Accordingly, the United States Embassy should be housed in Israel's capital, just like it is in every other country, and not in the country's economic center.

Of course, the Jerusalem issue is practically unique in world politics. The ancient city is holy for Jews, Christians, and Moslems, and both Israelis and Palestinians claim Jerusalem as their capital. The Tomb of the Holy Sepulchre is sacred for Christians to honor Christ's death. Moslems claim the Dome of the Rock and the al-Aqsa mosque as the site of Abraham's sacrifice. Jews pray at the Kotel, the Western Wall, the last remaining wall of the ancient synagogues, as well as the scores of other holy sites nestled in so many quarters.

Named as the City of Peace, Jerusalem has unfortunately been split by war. Throughout history, Arabs and Jews and Christians have locked each other out, and have often accused each other of desanctifying religious monuments, and barring access to each other's holy places.

Incidents have occurred where Moslems have felt offended by desecrations of their holy monuments and religious foundations. My own memory is seared by the defacing of meaningful and historic synagogues in the Old City's Jewish Quarter in 1947-67, when the city was not controlled by Israel. I remember with pain the laundry that hung on the Wailing Wall, a place of immensely spiritual and sacred value for Jews. I cannot forget the pictures of Jewish tombstones thrown around the Mount of Olives cemetery just at the foot of the walls of the Old City.

Though the international community has tried to split Jerusalem under the political solution of corpus separatum, to my mind, the spirituality and emotion of the city make division impossible. Given the 3,000 years of the history of Jerusalem, it will always be the heart of the Jewish people and the capital of the Jewish state. Indeed, it is the capital of the sovereign nation of Israel—a sovereignty the United States has heavily invested in and fiercely supported for 45 years. If our support for Jewish sovereignty over the land of Israel is to mean anything, then the United States should recognize Israel's capital appropriately.

Waiting years—if not decades—for the right moment to move the United States Embassy is not an appropriate recognition of Israel's sovereignty. As much as I hate to admit it, I do not think there will ever be a right time for a move with such emotional associations. And therefore, now is as right as ever. In exchange, Israel must guarantee universal access to other religions who seek to honor their holy places as well. I believe that, save some very unfortunate incidents, Israel for the most part has protected the right of access to Moslem and Christian holy places, and has a responsibility to continue to do so.

I am very sensitive to concerns that such a move by the United States at this time would undermine the peace process. I understand the risk that perhaps the United States would compromise its important position as an honest broker in the peace process: To that, I respond that America's position is nonnegotiable since Israel's claim to Jerusalem is nonnegotiable. Already, there should be no doubt of what the United States position is; hiding our Embassy in Tel Aviv does not change that.

I am also troubled by suggestions that such a move would predetermine the outcome of the final status talks between Israel and the Palestine Liberation Organization, and tie the chairman's hands in other critical negotiations. I am not persuaded, however, that the move of the U.S. Embassy from Tel Aviv to Jerusalem would have such a devastating effect. It is important to keep this proposal in perspective, and not underestimate the power of the commitment of the parties themselves to the peace process—wherever the U.S. Embassy is housed. Further, I believe that Prime Minister Rabin's own assertions that Israel will not cede Jerusalem are just as important to the process, and can guide United States actions on the issue.

The stationing of the United States Embassy in Jerusalem has been a widely supported proposal. The Democratic Party has included it as a plank in our platform since 1967. Sweeping majorities in Congress have urged it for years. It has not been a partisan issue; it has not been a personal crusade for just a few Members of Congress. Indeed, it is when we have broad-based and bipartisan support such as this that coherent and successful policies emerge. Israel has always been a beneficiary of such unity. For that reason, I appreciate Senator DOLE working

with the administration to craft a bill that can have near-unanimous support, and to avoid the nonsense of division on an issue like Jerusalem.

This year Jerusalem is celebrating its 3,000th anniversary. For it to remain the unclaimed capital of Israel is a shame. We should honor it, and the State of Israel, with the Jerusalem Embassy Relocation Implementation Act.

Mr. CHAFEE. Madam President, I fully recognize that Israel is one of the most strategic and important allies of the United States—the only working democracy in the Middle East. We should never waver in our support for a nation that has been militarily threatened by its neighbors since its founding over 40 years ago.

But I also strongly support the peace process that Israeli Prime Minister Rabin and the Palestine Liberation Organization began over 2 years ago. A glimmer of hope has emerged in recent years that the longstanding hostilities that have fueled conflict in this volatile region of the world may soon come to an end. It is imperative that the United States stand firmly behind the efforts of Israel and the Palestinians to reach agreement on the many disagreements that have divided these peoples for so long.

In announcing its accord on Jericho and the Gaza Strip 2 years ago, Israel and the PLO also agreed to negotiate the permanent status of Jerusalem beginning next year. The United States has stood firmly—and indeed has been a leader—behind negotiations on these and other unresolved issues that are aimed at achieving long-term peace.

I certainly recognize that Israel declared Jerusalem to be its capital in 1950. However, since 1967 the United States has called for a negotiated resolution of Jerusalem's status, a position restated by the September 1993 agreement between Israel and the PLO. I am convinced that the question of when we construct our Embassy in Israel should be left to the President and the State Department. Having Congress dictate to the State Department a construction schedule for our Embassy would surely disrupt and possibly derail the ongoing Mideast peace process, a most sensitive diplomatic effort.

Although the administration is given a national security waiver in the compromise version of this legislation, there is still no guarantee that the Embassy move could be waived if the peace process is halted. That is why the State Department remains opposed to this bill. Because of my support for the Mideast peace process and executive branch authority on foreign policy, I will vote against S. 1322.

Mr. KOHL. Madam President, I rise today as a cosponsor of this resolution to move the U.S. Embassy from Tel Aviv to Jerusalem. I strongly believe that Jerusalem is, and will always be, the undivided capital of the state of Israel. The United States Embassy should have been moved from Tel Aviv to Jerusalem long ago, and I have supported many past efforts to that end. Earlier this year, I joined 91 other Senators in a letter to Secretary of State Christopher urging that our Embassy be moved as soon as possible.

Beyond the protocol concerns of maintaining an embassy outside a state's declared capital city, the U.S. Government is ignoring the centrality of Jerusalem to the Jewish people by keeping its embassy in Tel Aviv. Jerusalem is more than just a capital for the people of Israel. Israelis cherish Jerusalem for its historical and religious significance and hold it in great affection. As a result, this continued reluctance to move the Embassy to Israel's precious capital and most important city is perceived as the ultimate diplomatic snub. It is only appropriate that we correct this slight.

Jerusalem has emotional resonance that reaches far beyond the Middle East as the religious capital for all Jews and as an important religious site for many other faiths. The Israeli Government has earned our praise in its valiant efforts to ensure that people of all faiths have unhindered access to their holy sites. Unfortunately, Jerusalem has not always been so accessible, as Senator LAUTENBERG detailed for the Senate yesterday.

Mr. President, I have been somewhat skeptical as to whether we can pass legislation that will really move our Embassy from Tel Aviv to Jerusalem. The administration has expressed reasonable concerns that this measure is ill-timed and that in its original form could have had an adverse effect on the peace process. I am pleased that Senators FEINSTEIN and LAUTENBERG were able to work with the original sponsors of this measure to achieve a compromise to address the administration's concerns.

With or without this legislation, I continue to urge the administration to move the U.S. Embassy to Jerusalem as soon as possible. I urge my colleagues to support this bill to send that message to the administration.

Mr. MACK. Madam President, I rise in support of S. 1332, a bill to relocate the U.S. Embassy to Jerusalem. I have long supported placing the U.S. Embassy in Jerusalem. It is time that the United States recognized Jerusalem as the capital of Israel by placing our Embassy there. Such recognition is long overdue—47 years overdue. Over time, the location of the Embassy in Tel Aviv has taken on a significance that is at odds with our strong and unwavering support for Israel and Jerusalem as its undivided capital.

The United States failure to recognize Jerusalem as the capital of Israel has only served to embolden the enemies of Israel, leading them to think perhaps the United States, Israel's closest ally, was ambivalent about the status of Jerusalem. We are not. And it is long past time for us to demonstrate our steadfast commitment to an undivided Jerusalem as the historic, governmental, and spiritual capital of Israel.

Much of the discussion on this bill has addressed concerns that relocation of the U.S. Embassy to Jerusalem would have a detrimental effect on the peace process. The opposite is true. An essential part of the peace process involves a clear understanding between the parties on a number of issues, an undivided Jerusalem as the capital of Israel is one. PLO compliance is another. On both counts, I want to be absolutely clear: both are essential to a lasting peace in the Middle East. Both are good for Israel and both are good for the Palestinian people. Both are fundamental prerequisites for moving forward into a phase of good relations between Israel and its neighbors. Both are necessary for stability, economic development, good government, and the rule of law for the Palestinian people.

Mr. PRESSLER. Madam President, I want to join the strong chorus of bipartisan support for S. 1322, the Jerusalem Embassy Relocation Act. As an original cosponsor of this bill, as well as the legislation introduced early this year, S. 770, I am pleased the Senate is taking decisive action. This bill already has more than 60 cosponsors—a testament once again to the strong bond between the people of the United States and Israel, our friend and ally in the Middle East. I urge my colleagues in the House of Representatives to pass this legislation and send it to the White House as soon as possible.

Swift passage would not only be appropriate, but timely. In less than 2 weeks, Prime Minister Rabin and Mayor Olmert of Jerusalem will be with us here in the Capitol to commemorate the 3,000th anniversary of the establishment of Jerusalem as the capital of Israel by King David. It was 45 years ago, in 1950, when Jerusalem formally was reestablished as the capital of Israel. Throughout this city's rich history, Jerusalem has been an important city to people of many faiths. It has been occupied by military governments, psuedo-states, and empires. However, for three centuries, only one State has called Jerusalem her capital—the State of Israel. Jerusalem is and should forever be the capital of Israel. Jerusalem is where our Embassy belongs.

The Senate repeatedly has expressed in a strong, unified voice that the United States Embassy in Israel should be relocated to Jerusalem. Earlier this year, I was pleased to join a vast majority of my colleagues—92 to be exact—in a letter to Secretary of State Warren Christopher, urging that the State Department begin taking concrete steps to relocate the U.S. Embassy to Jerusalem. The legislation we will pass today more than gets the process moving. Specifically, S. 1322 would set a definitive timeline for the construction and relocation of the

United States Embassy to Israel in Jerusalem. It would authorize funding over the next 2 years to ensure the timeline is met, including the opening of the U.S. Embassy in Jerusalem by May 31, 1999.

Madam President, I strongly disagree with those who claim that this legislation could threaten the Middle East peace process. There is no rational basis to question the Senate's commitment to achieving a lasting peace in the Middle East. All want to see the peace process succeed. The safety and security of all the people of Israel is critical to attaining a stable environment in the Middle East.

Clearly, a number of issues in the peace process remain to be worked out. However, there are a few facts that are not in dispute: Jerusalem is an undivided city. Jerusalem is a city open to all people of all nationalities and faiths. Jerusalem is the true capital of Israel. By relocating our Embassy in this historic city, we simply reinforce these facts—facts that reinforce U.S. policy. Nothing more. Nothing less.

Again, Madam President, I am proud to be an original cosponsor of this very important legislation. Throughout my career in the Senate, this body has passed a number of nonbinding resolutions recognizing Jerusalem as the capital of Israel. U.S. policy is clear. Congress has spoken many times. Now the time has come for action. I commend the majority leader, my friends and colleagues from New York—Senator D'AMATO and Senator MOYNIHAN—and my friend from Arizona, Senator KYL, for their tenacious leadership to see this bill through to final passage today. I can think of no action by the United States to be more appropriate on this extraordinary year—the 3,000th anniversary of King David's recognition of Jerusalem as the capital of Israel—than to place our Embassy in Israel's capital city, Jerusalem—a city forever free, forever undivided and forever the capital of the people of Israel.

Mr. DODD. Mr. President: I rise today to speak about S. 1322—Jerusalem Embassy Relocation Implementation Act of 1995. Let me say at the outset that I share the fundamental premise of the sponsors of this legislation, namely that Jerusalem is and should remain the undivided capital of the State of Israel. I also agree that the logical extension of that premise is that the U.S. Embassy should therefore appropriately be located in that city.

I have joined with my colleagues on numerous occasions expressing this view. Most recently, on March 20, I joined with 92 of my Senate colleagues on a letter to Secretary of State Warren Christopher stating our view that:

> it would be appropriate for planning to begin now to ensure such a move no later than the agreements on permanent status take effect and the transition period has ended, which according to the Declaration of Principles is scheduled for May 1999.

Mr. President, several weeks ago I had the privilege of being present at the White House to witness the historic signing of the Interim Agreement on the West Bank and Gaza by Prime Minister of Israel Yitzhak Rabin and PLO Chairman Yasser Arafat. With the stroke of their pens, they took, the peoples of the Middle East one step closer to lasting peace. All of the efforts of those who were the enemies of peace could not deter these two brave leaders from their goal of finding the common ground that made that agreement a reality.

Since the establishment of the State of Israel more than 47 years ago, the people of Israel have sought to live in peace with their neighbors in the Middle East. For too long Israeli efforts to reach out for peace and dialog with its Arab counterparts were met with rejection and terrorism. Fortunately that has now largely changed. Clearly the break up of the Soviet Union and the gulf war were defining moments that totally reshaped the political landscape in the Middle East and improved the prospect for peace.

Mr. President, I fully understand the emotional attachment that Israelis—indeed all Jews—have for Jerusalem. I also respect the significance of this city for those of Moslem and Jewish faiths. Under Israeli sovereignty, all nations have enjoyed complete freedom of worship in a united Jerusalem. Moving the U.S. Embassy to Jerusalem will in no way effect freedom of access to holy places or Moslem and Christian continued control of their respective holy sites in that city.

We can all be justly proud of the enormous progress that has been made to date to undo the destruction and distrust that are the byproduct of decades of hatred and havoc in the Middle East. But we must also be realistic about the difficult issues that remain to be resolved. We must also be mindful of actions we might take here in this body that could further complicate efforts to reach a final agreement.

It is within that context that the administration's opposition to legislatively mandating the relocation of the U.S. Embassy to Jerusalem by a date certain should be understood. Having said that, I believe that at this point not to vote in support of this legislation would send the wrong signal to those who would prefer to see the Middle East remain in turmoil. It would send the wrong signal to those who may hold some allusion that our views about the undivided nature of the capital of Israel will somehow change.

Mr. President, I also would note that the changes that have been made to the original legislation by its sponsors do address some of the specific concerns expressed by the administration about earlier versions. I am pleased that ongoing discussions concerning the inclusion of Presidential waiver authority bore fruit.

Mr. President, while I may have had some doubts about the specific wording of the legislation or the timing of its consideration, I wholeheartedly endorse its intent, and will join with my colleagues at the appropriate time in support of final passage.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. DOLE. Madam President, this is an historic day for the Senate. Long discussed and long promised, today marks the day that means a U.S. Embassy in Jerusalem will be a reality. On October 13, 1995, along with Senators MOYNIHAN, KYL, INOUYE, and 61 other colleagues, I introduced S. 1322, the Jerusalem Embassy Relocation Act of 1995. It modifies S. 770, introduced last May, by deleting the requirement setting the groundbreaking must be begun on the Embassy by May 1996. This legislation states that Jerusalem should be recognized as the capital of Israel and that our Embassy should be relocated to that city no later than May 1999. That is the bottom line.

I wish to say at the outset that the sponsors of this legislation do not want to undermine the peace process. We support the process of building peace in the Middle East.

In our view this legislation is not about the peace process, as the Senator from Arizona pointed out in a meeting we had the other day with the Senator from California, Senator FEINSTEIN, the Senator from New Jersey, Senator LAUTENBERG, and the Senator from Connecticut, Senator LIEBERMAN, time and time again.

This legislation is not about the peace process, it is about recognizing Israel's capital. Israel's capital is not on the table in the peace process, and moving the United States Embassy to Jerusalem does nothing to prejudge the outcome of any future negotiations.

Years ago, I expressed some concern about the impact of Jerusalem and related issues could have on the prospects for peace. But we live in a very different world today. The Soviet empire is gone, and Arab States can no longer use cold war rivalries in their differences with Israel. Iraqi aggression against Kuwait has been reversed with American forces fighting shoulder to shoulder with Arab allies. American military forces remain in the Persian Gulf region. Jordan has joined Egypt in making genuine peace with Israel. The second phase of the Declaration of Principles is being implemented, Gaza is under Palestinian control, and Israeli withdrawal from West Bank towns has begun.

Even yesterday Arafat met with a group of 100 some Jewish leaders in New York City. I never thought it would happen. It happened.

No one can fail to see that the Middle East has changed dramatically. In my view, now is the time to set the deadline for moving the American Embassy to Jerusalem.

In the more than 5 months since this legislation was introduced, there was not one single overture from the Clinton administration. There were veto

threats and legal arguments, but no effort to even discuss our differences. Despite the administration's refusal to talk, the sponsors of the legislation remained willing to address concerns about the bill.

I had no doubt we can work it out and move forward on this legislation.

I want to thank my colleagues, Senator LAUTENBERG, Senator FEINSTEIN, and others for their willingness to cooperate and work out some of the differences we had, along, of course, with Senator KYL, Senator LIEBERMAN, Senator MOYNIHAN, and Senator INOUYE.

The administration raised concerns over the lack of a waiver provision in the bill. Last Friday, they proposed a national interest waiver with no limits. In the interest of getting the broadest possible support—we hope, even including the support of the White House—the substitute adopted last night included a national security interest waiver. If the waiver is exercised, funding withholding would take place in the next fiscal year. This should take care of any possibly unforseen impact of the legislation. Despite having the votes to prevail, we have demonstrated our willingness to meet the concerns raised. We did not want a confrontation with the White House. In sum, we have gone the extra mile, and now is the time for the Senate to speak.

Some have said the Israeli Government is opposed to this legislation. Nothing could be further from the truth. The architect of the Oslo accord, Deputy Foreign Minister Yossi Beilin recently made Israeli Government views very clear:

> Any timing for transferring any embassy to Jerusalem, is good timing. The earlier the better. Israel is the only nation in the world that doesn't have a recognized capital.

As I said when introducing this legislation, the time has come to move beyond letters, expressions of support, and sense-of-the-Congress resolutions. The time has come to enact legislation that will get the job done.

Madam President, we have a very sound piece of legislation before us today. I would particularly like to thank the lead sponsors and those who have been helpful in the process.

I am pleased that Senator FEINSTEIN and Senator LAUTENBERG agreed to cosponsor the legislation after the substitute was worked out last night.

It would seem to me we ought to have unanimous or near unanimous support for this legislation.

I ask unanimous consent that several items referred to in my statement be printed in the RECORD at the end of my remarks.

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

SHAW, PITTMAN,
POTTS & TROWBRIDGE,
JUNE 27, 1995.

To: American Israel Public Affairs Committee

From: Gerald Charnoff, Charles J. Cooper, and Michael A. Carvin

Re S. 770; Bill to Relocate U.S. Embassy to Jerusalem

I. INTRODUCTION

This memorandum is in response to your request for an analysis of the constitutionality of the ''Jerusalem Embassy Relocation Implementation Act of 1995,'' hereinafter S. 770, a measure introduced by Senator Dole in the first session of the 104th Congress. Maintaining that Jerusalem should be recognized by the U.S. as the capital of Israel, the bill, in a Statement of Policy, states that groundbreaking for the U.S. embassy in Jerusalem ''should begin'' by 31 December 1996 and that the embassy ''should be officially open'' by 31 May 1999. S. 770, 104th Cong., 1st Sess. §3(a). The measure further establishes that no more than 50% of the funds appropriated to the Department of State in fiscal year 1997 for ''Acquisition & Maintenance of Buildings Abroad'' may be obligated until the Secretary of State certifies that construction has begun on the U.S. embassy in Jerusalem. Id. §3(b). Similarly, not more than 50% of the funds appropriated in the same account for fiscal year 1999 may be obligated prior to certification by the Secretary of State that the Jerusalem embassy has officially opened. Id., §3(c). Additional provisions, contained in sections four and five of the measure, earmark certain funds for the relocation effort.''[1]

The Office of Legal Counsel of the Department of Justice has taken the position that the funding mechanism incorporated into S. 770 is an unconstitutional infringement on the President's powers. See Bill to Relocate the United States Embassy from Tel Aviv to Jerusalem, Op. Off. Legal Counsel (May 16, 1995) (''The proposed bill would severely impair the President's constitutional authority to determine the form and manner of the Nation's diplomatic relations.'') (hereinafter ''OLC Op.'').

II. ANALYSIS

The Office of Legal Counsel (''OLC'') Opinion argues that the President has primary responsibility for foreign affairs and that his specific power to recognize foreign governments to exclusive. OLC Op., p. 2–3. Accordingly, OLC concludes that ''Congress may not impose on the President its own foreign policy judgments as to the particular sites at which the United States' diplomatic relations are to take place.'' Id. at 3. OLC maintains that the imposition of fixed-percentage restrictions on the State Department's FY 1997 and FY 1999 acquisition and maintenance funds until specified steps are completed in the relocation effort constitutes an impermissible restriction on the President's discretion in foreign affairs. Although OLC does not in any way dispute Congress' plenary power over the purse, it maintains that Congress may not ''attach conditions to Executive Branch appropriations requiring the President to relinquish his constitutional discretion in foreign affairs.'' Id. at 4, quoting Issues Raised by Section 129 of Pub. L. No. 102–138 and Section 503 of Pub. L. No. 102–140, 16 Op. Off. Legal Counsel at 30–31 (1992) (emphasis added.). In support of this assertion, OLC places exclusive reliance on prior Executive Branch opinions which criticize congressional appropriations riders that directly required the President to take (or refrain from) a particular action by stating that no appropriated funds could be used for the congressionally proscribed action. Id. at 3–4. See also Issues Raised by Section 129 of Pub. L. No. 102–138 & Section 503 of Pub. L. No. 102–140, 16 Op. Off. of Legal Counsel 18, 19 (1992), citing Section 503 of Pub. L. No. 102–140, 105 Stat. at 820 (1991) (''[N]one of the funds provided in this Act shall be used by the Department of State to issue more than one official or diplomatic passport to any United States government employee. . . .''); Appropriations Limitation for Rules Vetoed by Congress, 4B Op. Off. of Legal Counsel 731, 731–32 (1980), citing H.R. 7484, §608, 96th Cong., 2nd Sess. (1980) (''None of the funds appropriated or otherwise made available to implement . . . any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted. . . .'').

OLC's assertion concerning the primacy of the Chief Executive in foreign affairs is well-supported,[2] and its further assertion that Congress may not interfere with these foreign policy prerogatives even when exercising its spending power is also consistent with long-standing Executive Branch precedent, although Congress has taken a different view.[3] The issue has never been resolved judicially.[4] However, OLC's assertion that S. 770 ''requires'' or ''compels'' the President to move the Embassy to Jerusalem, and is thus subject to the same constitutional objections as appropriation riders containing such unconditional requirements, is belied by the plain language of the bill and is otherwise unsupported by law or Executive Branch opinions.

S. 770 does not purport to restrict the President's ability to maintain an Embassy in Tel Aviv or to otherwise interfere with the President's authority to use appropriated monies in any manner he believes best serves the Nation's foreign policy interests. Rather, the measure merely states that, absent compliance with an established timetable for relocation of the U.S. Embassy in Israel, Congress will invoke its spending power to reduce the aggregate funding level that can be obligated in certain related discretionary accounts. Instead of a prohibition on the ability of the President to use money to exercise his constitutional powers, S. 770 merely provides a fiscal incentive for the President to exercise his discretion in a certain manner, though leaving him capable of eschewing these incentives and acting in direct contravention of Congress' wishes. Thus, such a mechanism in no way restricts the ability of the President to use his foreign affairs power to employ appropriated money as he sees fit.

That being so, S. 770 is different in this critical respect from any other appropriation rider ever objected to by Executive Branch officials as an unconstitutional infringement on the President's foreign affairs power or other executive powers. In all such cases, the appropriations riders have directed a particular course of action or inaction by prohibiting certain uses of appropriated funds, even if the President desired to take such actions in fulfilling his constitutionally-assigned duties. Issues Raised by Section 129 of Pub. L. No. 102–138 & Section 503 of Pub. L. No. 102–140, supra, citing Section 503 of Pub. L. No. 102–140, 105 Stat. at 820 (1991) (''[N]one of the funds provided in this Act shall be used by the Department of State to issue more than one official or diplomatic passport to any United States government employee. . . . ''); Appropriations Limitation for Rules Vetoed by Congress, supra, citing H.R. 7584, §608, 96th Cong., 2nd Sess. (1980) (''None of the funds appropriated or otherwise made available shall be available to implement . . . any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted. . . .'').

[1] Footnotes at end of letter.

The Attorney General and OLC have reasoned that if Congress is without constitutional power to make decisions for the President in areas the Constitution commits to his discretion, it matters not whether that intrusion is embodied in appropriations or other legislation. In exercising its power of the purse, Congress has no greater authority to usurp the President's exclusive constitutional authority than when it acts pursuant to other enumerated powers. See, The Appropriations Power & the Necessary & Proper Clause, 68 Wash. U. L. Q. 623, 30 (1990) (''[W]hen we hear discussions about Congress' weighty role in . . . the foreign relations power, and Congress adverts to 'the power of the purse,' it does not make sense. Congress still has to point to a substantive power. The power of the purse . . . is only procedural.'') (remarks by the Honorable William Barr).

Here, in contrast, Congress imposes no restrictions on appropriated funds: such funds may continue to be used to maintain an Embassy in Tel Aviv should the President decide to leave the Embassy there. Accordingly, there is nothing in S. 770 ''requiring the President to relinquish his constitutional discretion in foreign affairs'' and thus OLC's reliance on Executive Branch condemnation of such appropriation riders is entirely misplaced. OLC Op., p. 4.

To be sure, if the President retains the status quo in Israel, the State Department will have less funds in two upcoming fiscal years than it would otherwise have, and so S. 770 is plainly designed to influence the President's decision on the Jerusalem Embassy. But this sort of ''horse trading'' is a basic staple of relations between the two political branches and hardly infringes the President's constitutional authority or powers. For example, the President has unfettered constitutional authority to nominate whomever he desires for, say, Surgeon General, and Congress does not unconstitutionally interfere with that presidential appointment authority by abolishing or reducing the funding for the Surgeon General's Office if certain nominees are proposed. Similarly, Congress may constitutionally pledge to reduce financial support for certain foreign interests or international organizations simply because it is displeased with the President's exercise of his responsibilities as foreign affairs spokesman or Commander-in-Chief. Since the use of these sorts of quid pro quos to influence the President's exercise of his constitutional duties does not unconstitutionally interfere with those duties, S. 770's establishment of such a device is similarly within Congress' constitutional authority.

By entrusting the President with the authority to definitively resolve certain questions, the Framers did not erect a prophylactic shield protecting the President against all attempts to influence the manner in which he resolves those issues. Accordingly, the Founders did not erect some special constitutional protection for the President which immunizes him from the give and take of inter-branch disagreements. Rather, they expected that a President of ''tolerable firmness'' would be able to resist congressional blandishments to pursue a course he deemed unwise, assuming such appropriations riders survived his veto in the first instance. Alexander Hamilton, ''The Federalist No. 73,'' at 445 (C. Rossiter ed. 1961).

For this reason, even those scholars who believe Congress ''ought not be able to regulate Presidential action by conditions on the appropriation of funds . . . if it could not regulate the action directly,'' Henkin, supra at 113, acknowledge that establishment of financial penalties or incentives to influence presidential action is permissible. Henkin, supra at 79. (''Since the President is always coming to Congress for money for innumerable purposes, domestic and foreign, Congress and Congressional committees can use appropriations and the appropriations process to bargain also about other elements of Presidential policy and foreign affairs.''). Indeed, the Attorney General has favorably opined on the constitutionality of an appropriation rider that imposed a markedly more onerous restriction on the President's exclusive Commander-in-Chief powers than S. 770 imposes on his foreign policy discretion. In 1909, Congress attached the following rider to the Navy's appropriation:

''[N]o part of the appropriations herein made for the Marine Corps shall be expended for the purpose for which said appropriations are made unless officers and enlisted men shall serve on board all battleships and armored cruisers, and also upon such other vessels of the navy as the President may direct, in detachments of not less than eight percentum of the strength of the enlisted men of the navy on said vessels.'' Naval Appropriations Act of 1909, 35 Stat. 753, 773, reprinted in Appropriations—Marine Corps—Service on Battleships, 27 Op. Att'y Gen. 259 (1909).

The Attorney General found this restriction constitutional because, ''Congress has power to create or not to create . . . a marine corps, make appropriation for its pay, [and] provide that such appropriation shall not be made available unless the marine corps be employed in some designated way . . .'' 27 Op. Att'y Gen. at 260.

So far as we can discern, neither OLC nor the Attorney General have subsequently disavowed or undermined the vitality of this Attorney General Opinion, although they opined at times that appropriation riders could not direct the President to take action within his constitutional sphere. Presumably, then, even Executive Branch officials have recognized a distinction between impermissible riders that mandate certain action or inaction and permissible ones which, like the Marine Corps appropriation, provide the President with at least a nominal choice between two courses of action, with financial ''penalties'' if he chooses the disfavored option. In the 1909 naval appropriation, the President's ''choice'' was between having marines constitute eight percent of battleship crews or having no funding for the Marine Corps at all. This complete defunding penalty for exercising the disfavored option is obviously far more draconian than the 50% reduction in construction funding occasioned by S. 770.

In short, there is an obvious and constitutionally significant difference between an appropriations law forbidding the President to take action which the Constitution leaves to his discretion and a law which merely sets out the negative financial consequences that will ensue if the President pursues a certain policy. This distinction between coercive laws and laws which offer financial incentives to exercise one's sovereign power in the preferred way has been well-recognized by the Supreme Court in directly analogous circumstances.

Most notably, in *South Dakota* v. *Dole*, 483 U.S. 203 (1987), the Supreme Court considered a congressional statute, known as Section 158, which directed the Secretary of Transportation to withold five percent of allocable highway funds from any state in which individuals under the age of 21 could legally purchase or possess alcohol. Like S. 770, the funding mechanism in *Dole* constituted a congressional attempt to provide indirect financial inducement to affect policy in an area presumably beyond Congress' power to legislate directly.

Despite earlier recognition that the ''Twenty-first Amendment grants States virtually complete control over whether to permit importation or sale of liquor and how to structure the liquor distribution system,''[5] the Court upheld this statutory incursion into state sovereignty, asserting that the ''encouragement to state action found in §158 is a valid use of the spending power.'' *Dole*, 483 U.S. at 212. Accordingly, even though the Constitution assigned to the states the responsibility for establishing drinking ages, and thus Congress presumably could not direct the states to set a minimum age, this funding restriction was permissible because ''Congress has acted indirectly under its spending power to encourage uniformity in the States' drinking ages.'' Id. at 206. Thus, such restrictions are permissible because the potential recipient of appropriated federal funds is free to reject Congress' financial inducement and exercise unfettered discretion in the relevant area, so long as the recipient is willing to endure the financial sacrifice that ensues. Id. at 211–212 (''Congress has offered . . . encouragement to the States to enact higher minimum drinking ages than they would otherwise choose. But the enactment of such laws remains the prerogative of the States not merely in theory but in fact.''). Similarly, in upholding federal appropriation riders requiring the regulation of State employees' political activities, the Supreme Court has ruled that even though Congress ''has no power to regulate local political activities as such of state officials,'' the federal government nevertheless ''does have power to fix the terms upon which its money allotments to states shall be disbursed.'' *Oklahoma* v. *Civil Service Comm'n*, 330 U.S. 127, 143 (1947). The Court found that the state's sovereignty remained intact because the state could adopt ''the 'simple expedient' of not yielding to what she urges is federal coercion.'' Id. at 143–144.

Thus, *Dole* would seem to directly establish that the sort of conditional funding provided by S. 770 is constitutionally permissible. In *Oklahoma* and *Dole*, the Tenth and Twenty-first Amendments provided the states with exclusive authority over their employees' political activities and citizens' legal drinking age, yet Congress did not unconstitutionally infringe these powers by offering financial incentives to adopt a particular policy. By the same token, the fact that the Constitution vests the President with exclusive recognition authority does not disable Congress from using its plenary spending power to seek to influence the exercise of that authority.

Like the drinking-age restriction in *Dole*, the funding mechanism in S. 770 merely attempts to induce recipients of federal funds to pursue policy ends advocated by Congress via clearly established conditions on future appropriations, while leaving that decisionmaker with the option of refusing such conditions. The President may exercise his discretion to retain the American embassy in Tel Aviv and accept the potential of reduced congressional funding in certain related discretionary accounts, or he can move the embassy. S. 770 does nothing to alter the fundamental fact that the decision as to where to locate the U.S. embassy in Israel ''remains the prerogative'' of the President ''not merely in theory but in fact.'' *Dole*, 483 U.S. at 211–12.[6]

To be sure, the President differs from state governments because, as noted, he cannot pursue any action requiring expenditures without congressional funding. Thus a blanket prohibition against using appropriated funds does not leave him with any option to pursue the proscribed activity. Because of this distinction, a straightforward restriction against using any funds for an action

otherwise within the President's constitutional power is an effective prohibition against taking such action and thus presents a different, and more difficult, constitutional question. As noted, however, that is not the situation here. The President has been offered a choice directly analogous to that offered the states in *Dole*—he may pursue the congressionally disfavored option and accept the financial consequences or acquiesce to the preferred option without any such sacrifice.

OLC has nonetheless previously sought to distinguish *Dole* on the grounds that the Supreme Court's decision in *Metropolitan Washington Airports Authority* v. *Citizens for the Abatement of Aircraft Noise*, 111 S. Ct. 2298 (1991) (hereinafter ''MWAA'') found *Dole* ''inapplicable'' to issues that ''involve separation-of-powers principles.'' Issues Raised by Section 129 of Pub. L. No. 102–138 and Section 503 of Pub. L. No 102–140, supra, at 31. This assertion is patently untrue. *MWAA* in no way suggests that, while Congress is free to use its spending power to influence the sovereign power of states guaranteed by the Tenth Amendment and the Constitution's basic structure, the sovereign powers of the President are somehow different and thus immune from such congressional blandishments. Contrary to OLC's misleading selective quotation, *MWAA* never said *Dole*'s rationale was ''inapplicable'' to cases involving ''separation-of-powers principles,'' it simply stated that *Dole*'s rationale was ''inapplicable to the issue presented by this case.'' *MWAA*, 1111 S. Ct. at 2309 (emphasis added). *Dole*'s rationale was inapplicable not because the sovereign authority of the President is somehow different from that of the states, but because the infringement of executive powers in *MWAA* was obviously and significantly different from the funding appropriation conditions at issue in *Dole*.

The issue that divided the dissenting and majority opinions in *MWAA* was whether Congress was effectively responsible for creating the Board of Review, which was composed of Members of Congress and had veto power over the Airport Authority's important decisions. Id. at 2313 (White, J. dissenting). The dissent argued that no separation-of-powers issue was implicated by this Board of Review because the Commonwealth of Virginia (and the District of Columbia) had created that Board and no federalism principles prevented the states from so utilizing the talents of Members of Congress. Id. According to the dissent, the fact that Congress had coerced Virginia to make this decision was of no moment because this ''coercion'' was no different than Congress' use of the spending power to influence states in *Dole*. Id. at 2316–17.

In the section of the opinion relied upon by OLC, the majority refuted both prongs of the dissent's arguments:

''Here, unlike *Dole*, there is no question about federal power to operate the airports. The question is whether the maintenance of federal control over the airports by means of the Board of Review, which is allegedly a federal instrumentality, is invalid, not because it invades any state power, but because Congress' continued control violates the separation-of-powers principle, the aim of which is to protect not the States but ''the whole people from improvident laws.'' *Chadha*, at 951, 103 S. Ct. at 2784. Nothing in our opinion in *Dole* implied that a highway grant to a State could have been conditioned on the State's creating a ''Highway Board of Review'' composed of Members of Congress.''—*Id.* at 2309.

The first two sentences merely make the obvious point that since *MWAA* deals with a ''federal instrumentality'' and there was no question about the propriety of ''federal power to operate the airports,'' there is simply no issue of federal interference with state power.[7] Since there was no question of federal interference with, or bargaining for, state power, the only relevant question was who controlled the federal power—Congress or the Executive. In that regard, Congress had not ''bargained'' with the Executive by establishing financial conditions analogous to S. 770, but had directly commandeered control over the Airport Authority by establishing the Review Board.

The third sentence in the quoted passage simply says that *Dole* is inapplicable because the infringement in *MWAA* is different from the appropriation restriction in *Dole* and would be impermissible if applied to the states. This obviously belies the assertion that *Dole* was found inapplicable because different standards govern infringement on the President's powers than those which govern state intrusions. Specifically, *Dole* was distinguishable because, in *MWAA*, Congress did not provide money in return for Virginia exercising *its* sovereignty in a certain way. Rather, Virginia agreed to transfer its sovereignty over the Airport Authority to Congress. As the opinion's derisive citation to a ''Highway Board of Review'' makes clear, while the federal government may use its spending power to influence a state's exercise of its own sovereignty, Congress cannot use its spending power to induce the state to enhance congressional authority by creating congressionally-controlled federal instrumentalities. In short, Virginia was not trading away its own state power over airports; it had none. Rather, it was trading away the pre-existing Executive power over the airports to Congress. Since Virginia obviously had no Executive power to trade, Congress could not invoke *Dole* to justify its exercise of Executive power.

As this detailed review establishes, *MWAA* said that *Dole* was inapplicable because 1) there was no state power to bargain away, and 2) states cannot enhance congressional power in return for congressional dollars. Nothing in *MWAA* suggests that *Dole* was inapposite because the Executive, unlike states, in somehow disabled from agreeing to exercise his sovereign authority in a particular manner in return for increased congressional monies.

To the contrary, like the states, the Executive Branch, ''absent coercion . . . has both the incentive and the ability to protect its own rights and powers, and therefore may cede such rights and powers.'' *MWAA*, 111 S. Ct. at 2309. The fact that preserving the President's powers against congressional enactments is ultimately designed to protect the ''whole people from improvident laws'' does not suggest a different rule, since the federalism concerns implicated in *Dole* were also designed to preserve the people's liberty. See *U.S.* v. *Lopez*, 115 S. Ct. 1624, 1626–27 (1995) (''Just as the separation and independence of the coordinate branches of the Federal Government serves to prevent the accumulation of excessive power in any one branch, a healthy balance of power between the States and the Federal Government will reduce the risk of tyranny and abuse from either front.''), quoting *Gregory* v. *Ashcroft*, 501 U.S. 452, 458 (1991); *New York* v. *U.S.*, 112 S. Ct. 2408, 2431 (1992) (''[t]he Constitution divides authority between federal and state governments for the protection of individuals.'') (emphasis added.)

To be sure, under *MWAA*, Congress could not condition appropriations on the President's agreement to establish an ''Israeli Embassy Board of Review,'' where congressional agents determine the location of the Embassy. The President cannot transfer his recognition powers to congressional decisionmakers and, as indicated, there is a plausible argument that Congress cannot directly supplant the President's decisionmaking authority on such matters, even though directives in appropriations bills. Like any other sovereign, however, the President may consider many factors in making his own decisions. Just as he may consider the reaction of foreign countries, he may also consider a negative congressional reaction. Accordingly, nothing precludes Congress from seeking to influence that decision through use of its own constitutional powers including the spending power.

Indeed, OLC's contrary position demeans the President's constitutional status and certainly cannot be advanced in the name of a strong Executive. The OLC Opinion suggests that the President, unlike the states, lacks the ability or the will to resist Congress' financial inducements. Particularly given the existence of his veto power, this view of the President's authority vis-a-vis Congress is obviously untenable and irreconcilable with the Framers' views. The Framers did not erect a prophylactic constitutional umbrella protecting the President from the persuasive power of Congress' financial inducements, they forged only a shield against congressional directives. OLC simply ignores this vital distinction and the Executive Branch and judicial precedent which support it.

Under these precedents and a proper understanding of the constitutional framework, S. 770 does not violate any separation-of-powers principle or infringe any constitutional authority of the President.

FOOTNOTES

[1] Section 4 of S. 770 merely reprograms $5 million in funds appropriated in the Departments of Commerce, Justice, State, the Judiciary and Related Agencies Appropriations Act of 1995. Pub. L. No. 103–317, 108 Stat. 1724, 60 (1994) (Title V contains appropriations specifically for the Department of State and related agencies.) Specifically, $5 million previously contained in the aggregate account for expenses of general administration is earmarked for costs incurred in activities associated with the relocation of the U.S. embassy in Israel: Id., §4 (''Of the funds appropriated for fiscal year 1995 for the Department of State and related agencies, not less than $5,000,000 shall be made available until expended for costs associated with relocating the United States Embassy in Israel. . . .'').

The $5 million authorization is to remain in effect without temporal restriction until such funds are expended. §4 Though the President is in no way obligated to spend the $5 million earmarked for the relocation effort, such funds cannot be used for any other purposes. General Accounting Office, ''Principles on Federal Appropriations Law'' 6–6 (2. ed., 1992) (In an appropriations bill providing $1,000 for ''[s]moking materials . . . of which not less than $100 shall be available for Cuban cigars . . . portions of the $100 not obligated for Cuban cigars may not be applied to the other objects of the appropriation.''); Earmarked Authorizations, 64 Comp. Gen. 388, 394 (1985) (asserting that where measure providing funding for the National Endowment for Democracy earmarks ''Not less than $13,800,000'' for projects of the Free Trade Union Institute, ''awards should not be made'' where there is no worthy programs, ''but the consequence of this [non-allocation] is not to free the unobligated earmarks for other projects.''). Similarly, Section 5 of the bill earmarks a specified amount of the funds authorized to be appropriated in the Department of State's general account for ''Acquisition and Maintenance of Buildings Abroad'' in fiscal years 1996 and 1997, requiring that such earmarked funds be spent on the embassy relocation effort. As in Section 4, the budget authority is not temporarily restricted and is to last ''until expended'' on the relocation effort. Given the identical requirement that ''not less than [the earmarked amount] . . . shall be made available'' in fiscal years 1996 and 1997 respectively, the President has discretion as to whether to use the money, but cannot use earmarked funds for other general purposes.

[2] See, e.g., *Alfred Dunhill of London, Inc.* v. *Republic of Cuba*, 425 U.S. 682, 705–06 n. 18 (1976) (''[T]he conduct of [diplomacy] is committed primarily to the Executive Branch.''); *Banco Nacional de Cuba* v. *Sabbatino*, 376 U.S. 398, 410 (1964) (''Political recognition is exclusively a function of the Executive.'');

United States v. *Pink*, 315 U.S. 203, 229 (1942) (Asserting that the executive's constitutional authority to recognize governments ''is not limited to a determination of the government to be recognized. It includes the power to determine the policy which is to govern the question of recognition.'').

[3]Congress has repeatedly used its control over appropriations to influence executive actions on foreign policy and has repeatedly opined that these conditions are constitutional. See, e.g., William C. Banks & Peter Raven-Hansen, ''National Security and the Power of the Purse'' 3–4 (1994); Louis Henkin, ''Foreign Affairs and the Constitution'' 114 (1972). (''Congress has insisted and Presidents have reluctantly accepted that in foreign affairs . . . spending is expressly entrusted to Congress and its judgment as to the general welfare of the United States, and it can designate the recipients of its largesse and impose conditions upon it.''); ''Report of the Committees Investigating the Iran-Contra Affair,'' S. Rept. No. 100–216, H. Rept. No. 100–433, 100th Cong., 1st Sess. 475 (1987) (''[W]e grant without argument that Congress may use its power over appropriations . . . to place significant limits on the methods a President may use to pursue objectives the Constitution put squarely within the executive's discretionary power.''). Department of Defense Appropriations Act for Fiscal Year 1985, Pub. L. No. 98–473, §8066, 98 Stat. 1837, 1935 (1984), reprinted in Banks, supra at 138. (''During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting . . . military or paramilitary operations in Nicaragua. . . .''); Arms Control Export Act of 1976, Pub. L. No. 94–329, §404, 90 Stat. 729, 757–58 (1976) (''[N]o assistance of any kind may be provided for the purpose, or which would have no effect, of promoting . . . the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in Angola. . . .'').

[4]It is well-established that Congress may not use its spending power to coerce activity that itself violates a provision of the Constitution. See *United States* v. *Butler*, 297 U.S. 1, 69–70, 74 (1936): *United States* v. *Lovett*, 328 U.S. 303, 315–16 (1946) (striking a funding restriction as a bill of attainder in violation of the U.S. Constitution). Obviously, this doctrine has no application here since the Constitution does not prohibit moving the American Embassy in Israel to Jerusalem. However, OLC, as it has in the past, further maintains that the spending power cannot be used to force the President to take action that is perfectly constitutional, if the appropriation restricts the President's power to exercise his unfettered discretion in an area within his constitutional authority. There is no judicial precedent either way on OLC's extension of the independent constitutional bar principle in a separation-of-powers context. In the context of congressional funding conditions on state governments, the Supreme Court has unequivocally rejected an expanded notion of the independent constitutional bar:

''[T]he ''independent constitutional bar'' limitation on the spending bar is not, as petitioners suggest, a prohibition on the indirect achievement of objectives which Congress is not empowered to achieve directly. Instead, we think that the language in our earlier opinions stands for the unexceptionable proposition that the power may not be used to induce activities that would themselves be unconstitutional.''

South Dakota v. *Dole*, 483 U.S. 203, 210 (1987). See also *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127 (1947). Of course, the President, unlike the states, has no access to funds other than those appropriated by Congress. Thus, unlike the situation with state governments, a prohibition precluding the President from spending any appropriated monies on a particular activity is a direct prohibition against pursuing that activity. This provides a plausible basis for distinguishing the statute involved in *Dole* from a direct appropriations restriction on the President's activities. As we discuss below, however, *Dole* provides direct support, where, as here, there is no prohibition against spending money on the President's desired activity.

[5]*California Retail Liquor Dealers Assn.* v. *Midcal Aluminum*, 445 U.S. 97, 110 (1980) cited in *Dole*, 483 U.S. at 205.

[6]The Supreme Court has recognized that at some point, a financial inducement becomes so lucrative that ''pressure turns into compulsion'' and such incentive becomes unconstitutional coercion. *Dole*, 483 U.S. at 211. See also, *Steward Machine Co.* v. *Davis*, 301 U.S. 548, 590 (1937). However, the *Dole* Court dismissed any claim of coercion involved in the drinking age funding provision, stating that the ''relatively small percentage'' of highway funds involved in the cutoff were not coercive. 483 U.S. at 211. The Court further asserted that the mere fact that a conditional grant of money is successful in achieving compliance with congressional restrictions will not establish coercion. Id. seems clear that, given the minuscule amount of funding involved in S. 770, especially relative to the substantial highway fund allocations involved in *Dole*, the incentive mechanism at issue could not be deemed coercive. Should the President refuse to move the embassy, he would be barred from obligating funds amounting to a mere one percent of the budget authority reserved for international affairs in each of the fiscal years involved and a mere one one-hundredth of one percent of the aggregate budget in those same years. Office of Management & Budget, ''Appendix to the Budget of the United States for Fiscal Year 1996'' 692–93 (1995); Office of Management & Budget, ''Historical Tables to Supplement the Budget of the United States for Fiscal Year 1996'' 14, 69 (1995).

[7]The Court had previously noted that the Board of Review was ''an entity created at the initiative of Congress, the powers of which Congress has delineated, the purpose of which is to protect an acknowledged federal interest, and membership in which is restricted to congressional officials. Such an entity necessarily exercises sufficient federal power as an agent of Congress to mandate separation-of-powers scrutiny.'' Id. at 2308.

JERUSALEM, ISRAEL,
July 5, 1995.

The EDITOR,
New York Times.

TO THE EDITOR: The debate about the relocation of the U.S. Embassy continues and I write to express my whole-hearted support of the Dole/Inouye legislation, which calls for moving the U.S. Embassy to Jerusalem by 1999.

Jerusalem has been the capital of Israel since the founding of the State in 1948. Throughout history, Jerusalem has been the capital of the Jewish nation and must remain so. For the Embassy of the United States—''Israel's closest friend''—not to be in the functioning capital of Israel is an anomaly. Israel is the only country in the world where the U.S. Embassy is located in a city not regarded by the host nation as its capital. The basis for the Embassy not being located in Jerusalem was incorrect from the beginning, and this policy should finally be corrected.

Jerusalem is sacred to all three monotheistic religions but is meaning is not equal for them. In Christendom and Islam there are many spiritual centers and many symbolic capitals. In Judaism and for the Jewish people, there is only one Jerusalem.

Public attention is focused on whether or not this is the ''right time'' for such a move. I believe it is. The placement of the U.S. Embassy in Jerusalem has been a consensus issue for the American Jewish community and for successive Israeli governments for years. In the last decade, both Houses of Congress have enacted four resolutions calling on the U.S. government to acknowledge united Jerusalem as the capital of Israel.

The Dole/Inouye legislation, which is cosponsored by a majority of the U.S. Senate, will be put to a vote. It must be enacted by an overwhelming majority. Failure to do so will send a wrong message to the Arab States. It is imperative to establish now the U.S. conviction that realistic negotiations be premised on the principle that Jerusalem is the capital of Israel, and must remain united, Israelis of all political stripes are for the establishment of the U.S. Embassy in Jerusalem. The site reserved for the new Embassy is in West Jerusalem—on land which has been part of Israel since 1948.

Support for this legislation is, and has always been, bipartisan. Now is the time to move forward with it.

Sincerely yours,

TEDDY KOLLEK.

YOSSI BEILIN ON LEGISLATION TO MOVE THE UNITED STATES EMBASSY TO JERUSALEM

(Press conference with Israeli journalists, Oct. 12, 1995)

Question. Regarding the Jerusalem legislation to move the embassy from Tel Aviv to Jerusalem, are you pleased with the initiative and the timing of this?

BEILIN. Any timing for transferring any embassy to Jerusalem is good timing. The earlier the better, from my perspective. I am happy that there is the intention to do this. I'm only sorry that this has become part of election strife in Congress between the Republicans and Democrats in a bit of a cynical manner. To my disappointment, it has been promised by the opposition but then it was not carried out.

Question. Aren't you concerned that it will hurt the peace process or the standing of the U.S. in the eyes of the Arabs if the legislation will pass?

BEILIN. Israel is the only nation in the world that doesn't have a recognized capital and I am not prepared to accept that if Israel has a recognized capital this will affect the negotiations.

Mr. KYL. The waiver provision in S. 1322 will be examined by many people. I would like to join with the distinguished majority leader in clarifying on the RECORD the meaning and purpose of the waiver language.

Mr. DOLE. I agree with my friend from Arizona, that it is important to address the scope and meaning of the waiver provision. It is important that no one think that this provision would allow the President to ignore the requirements of S. 1322 simply because he disagrees with the policy this legislation is promulgating. The President cannot lawfully invoke this waiver simply because he thinks it would be better not to move our Embassy to Jerusalem or simply because he thinks it would be better to move it at a later time. The waiver is designed to be read and interpreted narrowly. It was included to give the President limited flexibility—flexibility to ensure that this legislation will not harm U.S. national security interests in the event of an emergency or unforeseen change in circumstances.

Mr. KYL. What is the significance of the phrase ''national security interests'' as opposed to ''national interest''?

Mr. DOLE. This is the way we are ensuring that the waiver will not permit the President to negate the legislation simply on the grounds that he disagrees with the policy. ''National security interests'' in much narrower than the term ''national interest''—and it is a higher standard than national interest. The key word is security. No President should or could make a decision to exercise this waiver lightly.

Mr. KYL. Is it fair to say that the intention of the waiver is to address constitutional concerns that have been raised about S. 1322?

Mr. DOLE. It is fair to say the waiver is intended to address unusual or unforeseen circumstances. We believe S. 1322 is constitutional even without the waiver, but the constitutional questions that have been raise about it deal

with issues so important that we think it is best to offer the President the limited flexibility of the waiver. It is within the constitutional appropriations power of Congress to withhold funds from the executive branch if it does not act in accordance with congressional mandates.

Mr. KYL. Although in drafting the legislation Senators did not limit the number of times the President could invoke the waiver authority, is it correct to say that the intent of the drafters is not to grant the President the right to invoke the waiver in perpetuity?

Mr. DOLE. The waiver authority should not be interpreted to mean that the President may infinitely push off the establishment of the American Embassy in Jerusalem. Our intent is that the Embassy be established in Jerusalem by May 1999. If a waiver were to be repeatedly and routinely exercised by a President, I would expect Congress to act by removing the waiver authority.

I yield the floor.

Mrs. FEINSTEIN. I yield 4 minutes to the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from California.

I would ask how much time is left, because I want to be certain that my colleague from Delaware has a chance to say a few words.

The PRESIDING OFFICER. After your 4 minutes, there will be 3½ minutes remaining on your side.

Mr. LAUTENBERG. And also for the Senator from California and the Senator from Connecticut. I will try to wrap up in a couple minutes because yesterday I think I expressed myself and my full support for this substitute.

I want to commend the majority leader, Senator DOLE, and Senator KYL for the hard work that they did to move this legislation along to ensure that the capital of Israel, the capital chosen by that State, is going to be home to our Embassy, as it ought to be.

Frankly, there was some difficulty in arriving at the consensus view that we finally did. And that was largely, not because we disagreed on the objective, that is, moving our Embassy to Jerusalem, but because perhaps there might have been an involvement that would have interfered with the orderly discussion of the peace process.

Madam President, the one thing that I want to be sure of is that as much as possible we stop the killing in the Middle East, that as much as possible we get these parties together on an open and honest basis. And the process is in being at this moment. There has not been in the history of the creation of the State of Israel a friendlier President than President Clinton is to Israel.

We saw on the lawn of the White House the celebration of the end of enormous hostilities that existed for decades where people just looking at one another were almost ready at first sight to kill each other.

Yesterday's story in the Washington Post was a poignant recollection of what happens to two families, one Arab, one Jew, who lost their sons, one responsible in a way for the death of the other, but nonetheless no one seeking revenge, no one looking for vengeance. What they wanted to do was make sure that other families did not have to mourn the loss of a son or a daughter, be they Palestinian or Jew.

That is the way we ought to be approaching this. And I think, Madam President, that is what is going to happen. All of us want the Embassy moved. The question is, we want it to happen as soon as possible, but we want the peace discussions to continue, as I said, in an orderly fashion.

I worked very closely with some dear friends, with Senator LIEBERMAN from Connecticut, with whom I share a very deep interest in the State of Israel, in Jerusalem, in the peace process, and with Senator BIDEN who has had a long history of support for Israel. And I want to commend Senator FEINSTEIN for her diligence, for her insight into the problem, and for getting us to this point where I believe that the supporting vote will be almost unanimous, as I believe it should be.

And so, Madam President, it is a moment that not yet calls for celebration, but does initiate a process of which I think we can all be proud.

Madam President, I support this substitute amendment.

Unlike the original bill, this amendment includes a waiver for the President. I believe the amendment will mandate the move of the American Embassy to Jerusalem while providing the administration flexibility in case it's necessary for national security reasons.

Madam President, I have long supported having the American Embassy in Jerusalem. I wish the American Embassy had been opened in Jerusalem long ago, when the State was established or when the city was reunified in 1967. I believe Jerusalem—a city I have visited many times—will always remain the undivided capital of the State of Israel.

The pace at which the Middle East peace process has yielded tangible results has been breathtaking. Just 2 years ago, on September 13, 1993, Prime Minister Rabin and Yasir Arafat agreed to end decades of bloodshed when they signed the historic Declaration of Principles and shook hands at the White House. Continuing their pursuit of peace, they signed the Cairo Agreement on Gaza and Jericho on May 4, 1994. And just weeks ago, on September 28, 1995, they again met at the White House to sign an agreement on the West Bank.

Jordan, too, has been brought into the process and has signed a formal peace agreement with Israel.

America should be proud of the role it has played in helping former enemies agree to end hostilities. To be sure, the parties in the Middle East needed to be ready to take the giant step toward peace. It was their readiness and their political courage that made peace attainable.

The amendment we offer now would help protect the peace process should national security interests warrant it. The amendment would provide a national security waiver for periods of up to 6 months with prior reporting to Congress. It was included to give the administration a limited amount of flexibility.

It also includes a clear expression of the Congress' belief that Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected. It expresses the Congress' clear view that Jerusalem should be recognized as the capital of the State of Israel and that our Embassy there should be established by May 1999.

I am firmly convinced, Mr. President, that the peace process will result in Israel retaining control over all of Jerusalem, and that Jerusalem will remain the undivided capital of Israel.

I am encouraged by support for the peace process. Even those who have lost their children to senseless acts of terrorism agree about the imperative of achieving peace. Earlier this year, a young college student from New Jersey, who was studying in Israel, was killed in a suicide bombing in Gaza. Her name was Aliza Flatow, and her death brought home to the people of New Jersey the urgent need to bring peace to the Middle East.

I was in Israel at the time of this terrible tragedy, and from there, I spoke to Aliza's parents in New Jersey. Despite the loss of their daughter and in the midst of grieving her loss, Aliza's father urged me to do whatever I could to support the peace process and to ensure that it would move forward unimpeded. Only the peace process, he said, holds the promise of bringing an end to these senseless deaths.

Our goal is to send a bill to President Clinton that will mandate the opening of the Embassy in Jerusalem. The amendment we are offering is consistent with that goal. It would represent a clear policy statement that the Embassy will be moved and is intended to preserve the President's constitutional authority. Absent a national security interest, it requires the Embassy to be established in Jerusalem by May 1999.

I urge my colleagues to support this amendment.

Mr. KYL. Madam President, I ask unanimous consent that Senator GRAHAM from Florida be added as a cosponsor to the legislation.

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

Mr. KYL. At this time I would yield time to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. KYL. How much time remains?

Mr. LIEBERMAN. I do not think I need more than 3 minutes.

Mr. KYL. I yield 3 minutes to the Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

I thank my friend and colleague from Arizona, not only for yielding time but for the extraordinary leadership and dedication he has shown in his support of this measure.

Madam President, perhaps it is appropriate that I begin with some words from the prophets.

Amos first.

> In that day I will raise up the tabernacle of David that is fallen, and close up the breaches thereof; and I will raise up his ruins, and I will build it as in the days of old.

Then Jeremiah.

> So says the Lord; Behold I will return the captives of the tents of Jacob . . . and the city will be rebuilt on its mound.

Madam President, tomorrow in this Capitol we will join in the worldwide celebration of the 3,000th anniversary of the entering of King David into the holy city of Jerusalem.

In our time, in 1948, thanks to the courage of the people of the State of Israel, thanks to extraordinary support from people throughout the world, including particularly the Government of the United States, we witnessed the creation of the modern State of Israel and the establishment of Jerusalem as its capital.

For the ensuing 47 years, for a lot of reasons that were not adequate, we in the United States, administration after administration of both parties, refused to locate our Embassy in Israel in the city of Jerusalem designated as the capital by that country as we do in virtually every other country in the world.

Today, thanks to the leadership of Senator DOLE who began this effort, of Senator MOYNIHAN who has fought for it for so many years, of Senator INOUYE, Senator KYL, Senator BIDEN, who is on the floor, who has been unyielding and persistent in his support of this principle and, in the last few days, working together with Senators FEINSTEIN and LAUTENBERG, we have come to the point where I think we fashioned an extraordinarily strong and honest bill that will receive overwhelming bipartisan support in both Chambers and I hope will be signed by the President.

Madam President, I want to say that there have been concerns raised about the impact that passing this measure now would have on the peace process. In this regard, I will make two brief points. First, the location of the U.S. Embassy never was and never should be the subject of negotiations among third parties. It is our decision, it is an American decision, and we will make it here today.

Second, as a supporter of the peace process in the Middle East, I feel particularly that this is the moment, as trust grows—and honesty is at the core of our relations with the Israelis and the Palestinians and the Arab world—that we do what is honest and say clearly our Embassy belongs in Jerusalem, the city that has been denoted by the Israelis as their capital.

I will say in closing, ending, it seems to me, appropriately with a Psalm that we are realizing in this vote today the hopes expressed by David in Psalm 122, when he wrote:

> Pray for the peace of Jerusalem: they shall prosper that love thee.
>
> Peace be within thy walls, calm within thy palaces.

If I may offer a modern-day interpretation of the word palaces, calm be within thy embassies as they locate in the city of Jerusalem.

I thank the Chair and my friends and colleagues. I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Madam President, I yield the remainder of my time to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 3 minutes, 32 seconds.

Mr. BIDEN. Madam President, thank you very much. I would like to thank my colleague from California for her leadership in bringing about what I think is a workable piece of legislation.

I would like to thank Senator MOYNIHAN, who is not here. In 1983, he started this process. He argued we should be doing this, and we are finally getting there.

With regard to the last point made by my colleague from Connecticut about the peace process, I have had the view for the past 24 years that the only way there will be peace in the Middle East is for the Arabs to know there is no division between the United States and Israel—none, zero, none.

I argue that is why we are where we are today, because we did not relent under the leadership of this President and others. We made it clear that no wedge would be put between us, thereby leaving no alternative but the pursuit, in an equitable manner, for peace.

Those familiar, and all are on this floor, with the Jewish people know the central meaning that the ancient city of Jerusalem has for Jews everywhere. Time and again, empires have tried to sever the umbilical cord that unites Jews with their capital.

They have destroyed the temple. They have banished the Jews from living in Jerusalem. They have limited the number of Jews allowed to immigrate to that city. And, finally, in this century, they tried simply to eliminate Jews.

(Mr. KYL assumed the chair.)

Mr. BIDEN. They may have succeeded, Mr. President, in destroying physical structures and lives. But they have never succeeded in wholly eliminating Jewish presence in Jerusalem, or in cutting the spiritual bond between Jews and their cherished capital.

After the horrific events of the Holocaust, the Jewish people returned to claim what many rulers have tried to deny them for centuries: The right to peaceful existence in their own country in their own capital.

How many of us can forget that poignant photograph of an unnamed Israeli soldier breaking down in tears and prayer as he reached the Western Wall after his army liberated the eastern half of the city in the Six Day War?

Those tears told a story. A story of a people long denied their rightful place among nations. A people denied access to their most hallowed religious sites. A people who had finally, after long tribulation, come home.

Mr. President, it is unconscionable for us to refuse to recognize the right of the Jewish people to choose their own capital. What gives us the right to second-guess their decision?

For 47 years, we, and much of the rest of the international community, have been living a lie. For 47 years, Israel has had its government offices, its Parliament, and its national monuments in Jerusalem, not in Tel Aviv. And yet, nearly all embassies are located in Tel Aviv. I think this is a denial of fundamental reality.

Mr. President, are we, through the continued sham of maintaining our Embassy in Tel Aviv, to refuse to acknowledge what the Jewish people know in their hearts to be true? Regardless of what others may think, Jerusalem is the capital of Israel.

And Israel is not just any old country. It is a vital strategic ally.

As the Israelis and Palestinians begin the final status negotiations in May 1996—negotiations, I might add, that were made possible through the leadership of President Clinton—it should be clear to all that the United States stands squarely behind Israel, our close friend and ally.

Moving the U.S. Embassy to Jerusalem will send the right signal, not a destructive signal. To do less would be to play into the hands of those who will try their hardest to deny Israel the full attributes of statehood.

I urge my colleagues to support this legislation.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mrs. HUTCHISON. Mr. President, I thank the distinguished majority leader for bringing this to a head. It has not been easy. We have talked about this for years. The people of Israel have fought repeatedly to hold the State of Israel intact. They have designated their capital. The capital is Jerusalem. This historic, important religious city is their capital. I think it is most unusual for the United States to go to another city to establish its Embassy when the country where we are being hosted has established a different city for its capital.

The time has come long since for America to recognize the capital city of Israel. It is Jerusalem. It is time for us to move in a responsible way to

have our Embassy also in the capital city of Jerusalem.

I commend the majority leader and the Senator from Arizona for their leadership in this area. I appreciate the fact that all factions have come together. Clearly, there must be some leeway for the President to make this move in a timely way. I think that leeway has been granted. This is quite a reasonable resolution. The time has come for us to have our Embassy in the capital of Israel. The capital is Jerusalem.

Thank you, Mr. President.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent that I be allowed to use my leader time.

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

Mr. DASCHLE. I yield 1 minute to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, finally, after 50 years, the Congress is about to act to assure the movement of our Embassy to Israel's capital. This has been a bipartisan effort. I have been proud to cosponsor Senator DOLE's legislation, and it is truly a historic day. This is a meaningful day. It is a day where we finally acknowledge the reality, which is that Jerusalem is the capital of Israel and that at the end of the peace process will be the capital of Israel.

It will not help the peace process for there to be any ambiguity about where Israel's capital is. Our action today will help to eliminate any such ambiguity and to make it clear to all concerned that this country is finally going to do in Israel what we have done in every single country in the world, which is to place our Embassy in the capital city.

I want to thank the Democratic leader. I want to thank the majority leader, also, for his leadership here. I yield the floor.

The PRESIDING OFFICER (Mrs. HUTCHISON). The minority leader.

Mr. DASCHLE. Madam President, let me commend the distinguished Senator from Michigan for his comments and associate myself with his remarks. This has been a bipartisan effort over the last several weeks, particularly the last several days.

There is little doubt that we all share the same goals. There has been a good-faith effort to reach an agreement that allowed us the confidence that those goals could be met.

I want to commend in particular the participants in those negotiations over the last several days, Senators FEINSTEIN, my good friend, Senator KYL, Senators LAUTENBERG and LIEBERMAN, and certainly the majority leader for all of the work that he put into ensuring that we would reach this point today.

I think it is fair to say we all agree on three shared goals. The first is the most obvious: moving the Embassy to Jerusalem. We recognize that Jerusalem is the spiritual center and the capital of Israel, as well as a special city for those all over the world. Each country, as so many have already indicated, has the right to designate its capital, and certainly our Embassy should be there.

Second, we want to ensure that Jerusalem remains an undivided city in which the rights of every ethnic and religious group are protected. That has been a goal articulated officially by this Senate since we adopted Senate Concurrent Resolution 106 in 1990.

Third, and perhaps most important in the context of this debate and the negotiations that have taken place, we want to ensure that the peace process moves forward.

Let me commend the administration for emphasizing as strongly as they have their concern for that last goal. It is their concern and their desire to ensure that we have the flexibility, that we have the opportunities, that we have all of the tools necessary to ensure that we can reach all three goals—that we move the Embassy, that we can ensure that it remains an undivided city, and, most importantly, that the peace process be allowed to continue.

I personally believe that the language that has now been agreed upon will provide the President the flexibility to ensure that the peace process can move forward. Definitely, the whole concept of a peace process is in our national security interest. That peace process must be contained. That peace process has to be nurtured throughout the next several years, and certainly the administration needs to proceed very carefully as we begin to articulate our goals as it relates to moving the Embassy.

The administration has concerns about the constitutionality of this legislation. I understand that. I hope that we can find this agreement has adequately addressed those concerns, as well.

Clearly, this has to be an effort on which we continue to work with the administration. I am very hopeful that, as a result of the tremendous work that has been done in the last several days, we can build upon our work with the State Department and with others in the administration to ensure that our goals are realized.

Let me again commend all of those who were instrumental in reaching this agreement, to ensure a U.S. commitment to an Embassy in Jerusalem, and equally as important, Madam President, to ensure that the U.S. commitment to the peace process maintains the kind of priority that we all have recognized during these very difficult talks.

The PRESIDING OFFICER. The Senator has 2 minutes and 12 seconds remaining.

Mr. KYL. Thank you, Madam President. Madam President, I am pleased and honored to close this debate on this important and historic legislation which will finally cause the United States Embassy to be relocated in Jerusalem, the capital of Israel, by the year 1999.

We all know that diplomacy is filled with subtleties but that some things are fundamental. One of those fundamental things is the relationship between the United States and Israel.

Key to that relationship is an underlying principle. The principle is that Jerusalem is the essence of the historical connection of the Jewish people for Palestine. That is why Jerusalem is the capital of Israel.

This legislation, which is a bipartisan presentation of congressional intent that finally actions replace words, that deeds replace words, and expressing that historical connection, as I said, is supported in a bipartisan way by the overwhelming majority of both sides of the aisle.

There are approximately 50 Republicans which have cosponsored this legislation, and it is strongly supported as well by the many Democrats who have spoken on it.

I think the key here is for the American people to finally express, as I said, in deeds rather than words, their support for Israel through the acknowledgment that Jerusalem is the capital by the relocation of the United States Embassy in the capital city of Jerusalem.

As Senator LIEBERMAN from Connecticut so ably pointed out, and Senator DOLE did as well, this is not about the peace process, which we all support. Rather, it is an expression on the part of the United States that no longer will there be any doubt about our position relative to Jerusalem. It is an honest position, as Senator LIEBERMAN said.

That is why, Madam President, it is so important for this body, in an overwhelming way, to express its support for the United States-Israel relationship by supporting this legislation to relocate the Embassy of the United States to the capital of Israel, Jerusalem.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered.

The clerk will call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 93, nays 5, as follows:

[Rollcall Vote No. 496 Leg.]

YEAS—93

Akaka	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brown	Harkin	Nunn
Bryan	Hatch	Pell
Bumpers	Heflin	Pressler
Burns	Helms	Pryor
Campbell	Hollings	Reid
Coats	Hutchison	Robb
Cochran	Inhofe	Rockefeller
Cohen	Inouye	Roth
Conrad	Johnston	Santorum
Coverdell	Kassebaum	Sarbanes
Craig	Kempthorne	Shelby
D'Amato	Kennedy	Simon
Daschle	Kerrey	Simpson
DeWine	Kerry	Smith
Dodd	Kohl	Snowe
Dole	Kyl	Specter
Domenici	Lautenberg	Stevens
Dorgan	Leahy	Thomas
Exon	Levin	Thompson
Faircloth	Lieberman	Thurmond
Feingold	Lott	Warner
Feinstein	Lugar	Wellstone

NAYS—5

Abraham	Chafee	Jeffords
Byrd	Hatfield	

NOT VOTING—1

Bradley

So the bill (S. 1322), as amended, was passed as follows:

S. 1322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Jerusalem Embassy Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Each sovereign nation, under international law and custom, may designate its own capital.

(2) Since 1950, the city of Jerusalem has been the capital of the State of Israel.

(3) The city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions.

(4) The city of Jerusalem is the spiritual center of Judaism, and is also considered a holy city by the members of other religious faiths.

(5) From 1948–1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan.

(6) In 1967, the city of Jerusalem was reunited during the conflict known as the Six Day War.

(7) Since 1967, Jerusalem has been a united city administered by Israel, and persons of all religious faiths have been guaranteed full access to holy sites within the city.

(8) This year marks the 28th consecutive year that Jerusalem has been administered as a unified city in which the rights of all faiths have been respected and protected.

(9) In 1990, the Congress unanimously adopted Senate Concurrent Resolution 106, which declares that the Congress ''strongly believes that Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected''.

(10) In 1992, the United States Senate and House of Representatives unanimously adopted Senate Concurrent Resolution 113 of the One Hundred Second Congress to commemorate the 25th anniversary of the reunification of Jerusalem, and reaffirming congressional sentiment that Jerusalem must remain an undivided city.

(11) The September 13, 1993, Declaration of Principles on Interim Self-Government Arrangements lays out a timetable for the resolution of ''final status'' issues, including Jerusalem.

(12) The Agreement on the Gaza Strip and the Jericho Area was signed May 4, 1994, beginning the five-year transitional period laid out in the Declaration of Principles.

(13) In March of 1995, 93 members of the United States Senate signed a letter to Secretary of State Warren Christopher encouraging ''planning to begin now'' for relocation of the United States Embassy to the city of Jerusalem.

(14) In June of 1993, 257 members of the United States House of Representatives signed a letter to the Secretary of State Warren Christopher stating that the relocation of the United States Embassy to Jerusalem ''should take place no later than . . . 1999''.

(15) The United States maintains its embassy in the functioning capital of every country except in the case of our democratic friend and strategic ally, the State of Israel.

(16) The United States conducts official meetings and other business in the city of Jerusalem in de facto recognition of its status as the capital of Israel.

(17) In 1996, the State of Israel will celebrate the 3,000th anniversary of the Jewish presence in Jerusalem since King David's entry.

SEC. 3. TIMETABLE.

(a) STATEMENT OF THE POLICY OF THE UNITED STATES.—

(1) Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected;

(2) Jerusalem should be recognized as the capital of the State of Israel; and

(3) the United States Embassy in Israel should be established in Jerusalem no later than May 31, 1999.

(b) OPENING DETERMINATION.—Not more than 50 percent of the funds appropriated to the Department of State for fiscal year 1999 for ''Acquisition and Maintenance of Buildings Abroad'' may be obligated until the Secretary of State determines and reports to Congress that the United States Embassy in Jerusalem has officially opened.

SEC. 4. FISCAL YEARS 1996 AND 1997 FUNDING.

(a) FISCAL YEAR 1996.—Of the funds authorized to be appropriated for ''Acquisition and Maintenance of Buildings Abroad'' for the Department of State in fiscal year 1996, not less than $25,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Israel in the capital of Jerusalem.

(b) FISCAL YEAR 1997.—Of the funds authorized to be appropriated for ''Acquisition and Maintenance of Buildings Abroad'' for the Department of State in fiscal year 1997, not less than $75,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Israel in the capital of Jerusalem.

SEC. 5. REPORT ON IMPLEMENTATION.

Not later than 30 days after the date of enactment of this Act, the Secretary of State shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate detailing the Department of State's plan to implement this Act. Such report shall include—

(1) estimated dates of completion for each phase of the establishment of the United States Embassy, including site identification, land acquisition, architectural, engineering and construction surveys, site preparation, and construction; and

(2) an estimate of the funding necessary to implement this Act, including all costs associated with establishing the United States Embassy in Israel in the capital of Jerusalem.

SEC. 6. SEMIANNUAL REPORTS.

At the time of the submission of the President's fiscal year 1997 budget request, and every six months thereafter, the Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the progress made toward opening the United States Embassy in Jerusalem.

SEC. 7. PRESIDENTIAL WAIVER.

(a) WAIVER AUTHORITY.—(1) Beginning on October 1, 1998, the President may suspend the limitation set forth in section 3(b) for a period of six months if he determines and reports to Congress in advance that such suspension is necessary to protect the national security interests of the United States.

(2) The President may suspend such limitation for an additional six month period at the end of any period during which the suspension is in effect under this subsection if the President determines and reports to Congress in advance of the additional suspension that the additional suspension is necessary to protect the national security interests of the United States.

(3) A report under paragraph (1) or (2) shall include—

(A) a statement of the interests affected by the limitation that the President seeks to suspend; and

(B) a discussion of the manner in which the limitation affects the interests.

(b) APPLICABILITY OF WAIVER TO AVAILABILITY OF FUNDS.—If the President exercises the authority set forth in subsection (a) in a fiscal year, the limitation set forth in section 3(b) shall apply to funds appropriated in the following fiscal year for the purpose set forth in such section 3(b) except to the extent that the limitation is suspended in such following fiscal year by reason of the exercise of the authority in subsection (a).

SEC. 8. DEFINITION.

As used in this Act, the term ''United States Embassy'' means the offices of the United States diplomatic mission and the residence of the United States chief of mission.

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

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

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Arizona for a unanimous-consent request without losing my right to the floor.

Mr. KYL. Mr. President, I ask unanimous consent that Senator PELL be listed as a cosponsor of the bill just passed.

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

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak for not to exceed 30 minutes—I will not require that much time—out of order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BUDGET RECONCILIATION

Mr. BYRD. Mr. President, I hope that the Senators who are present will listen and that those who may be watching over the television will also listen. We are about to take up the reconciliation bill in the Senate. At this moment, the Senate reconciliation bill is not available. It has not been returned from the printers, so we do not have it. I hold in my hand the House reconciliation bill, 1,563 pages—1,563 pages. The Senate bill may be a larger bill. It may not be. It may not have as many pages, but I would imagine that it is at least going to be 1,000 pages.

This bill will be called up probably tomorrow. The motion to proceed to it is not debatable. One cannot filibuster. Once we are on it, the maximum length of time is 20 hours to be equally divided, which means 10 hours to the side.

This bill is so complex and so massive that there are tables of contents scattered throughout to indicate what items are from what committees. Each committee has been given instructions, and when that committee submits the results of those instructions to the Budget Committee, the Budget Committee cannot alter them substantively. The Budget Committee is required to fold them all into a reconciliation bill.

What I am going to say is that we need more time to debate a reconciliation bill. There are all kinds of legislation that will be crammed into this bill—far-reaching legislation. Laws that are already on the statute books will be repealed, and very few Senators will know what is in the bill or will know what they are voting on. There will be comprehensive changes—Medicare, Medicaid, welfare reform, whatever.

After we have voted on this bill—and we only have 20 hours—after we have completed our work on it, there may be a half dozen Senators who will have a grasp of the actions that have been taken.

We are limited to 2 hours on any amendment in the first degree, 1 hour on any amendment in the second degree, and there is no committee report.

There is nothing here to tell us what we are going to be acting on. And it is going to hit us tomorrow morning in all likelihood, if not today, or maybe tomorrow afternoon. But think of that! Think of having to act on a bill of that size, a bill of that magnitude, and even this 1,563 page bill is not complete. On page 1,562 it refers to ''Title XVIII, Welfare Reform, Text to be supplied.'' Page 1,563, ''Title XIX, Contract Tax Provisions, Text to be supplied; Title XX, Budget Process, Text to be supplied.''

So it is not all here, even in this House reconciliation bill.

What are we coming to in this Senate, in this Congress? This will be the most important bill that will be acted upon by this Senate in this session. And we all know that far-reaching changes are being contemplated, I suppose you would call it, in the so-called Contract With America. All of these new, all of these reforms and repealing of measures are going to be included in this reconciliation bill this year.

As Members of the Senate are aware, the Congressional Budget Act of 1974 established the congressional budget process. I was here. I had a lot to do with the writing of that act. But we did not contemplate, those of us who wrote that act in 1974, who voted on it, who debated it on the floor, did not contemplate what was going to be done in subsequent years through the reconciliation legislation.

It was never intended—I would never have voted for that 1974 act if I could have just foreseen that the reconciliation process would be used as it is being used. It is a catchall for massive authorization measures that should be debated at length, and should be subject to unlimited time for amendments and unlimited time for debate.

Very controversial measures are being put into reconciliation bills. And there is no cloture mechanism that could be more than a distant speck on the horizon as compared with time restrictions in a reconciliation bill. It is a super bear trap.

Prior to the enactment of the Congressional Budget Act, there was no procedure or process through which Congress could exercise control over the total Federal budget. The appropriations process, which traditionally had overseen Federal spending through the enactment of annual appropriations bills, had increasingly become less able to do so because of the growth in ''entitlement'' or ''mandatory spending.'' These entitlement programs, notably Medicare and Medicaid, obligated the Federal Government to make direct payments to qualified beneficiaries, without the payments having to first be appropriated.

Congress recognized that in order to be able to carry out its full responsibilities over the Federal purse, a new congressional budget process was needed. And through this new congressional budget process, it was our intention that all spending decisions would be considered in relation to each other. In addition, it is vital that the aggregate spending decisions we make be related carefully to revenue levels.

In order to ensure that these new congressional budget processes and procedures would work, the Congressional Budget Act created two new fast-track vehicles—the budget resolution and the reconciliation bill. Both of these measures are considered under expedited, fast-track procedures in the Senate. It is the fast-track procedures relative to reconciliation measures which cause me great concern.

And mind you, as I say, there is a limitation of 20 hours of debate. That includes debate on amendments, debatable motions, appeals, points of order. Everything is included under debate in that 20-hour limitation, except, for example, in the case of certain quorum calls and the reading of amendments. They are not charged against the 20 hours.

But that is not all. Any Senator may move to reduce the overall time from 20 hours to 10. Any Senator may move to reduce the 20 hours to 5 or to 2 or to 1 hour.

Well, that would be a rather unreasonable thing to do, but the rule allows it. And that would be a nondebatable motion. If a Senator elects to move to reduce the time—it does not have to be the majority leader or the minority leader—the newest Member of the Senate can make that motion to reduce the time. It is a nondebatable motion. It would be decided by a majority vote. So if a majority were so minded, it could reduce the time. This is an astonishing thing that we have done to ourselves.

I think it is fair to say that the participants in the creation of the Congressional Budget Act recognized that this new process, as I say, was a dramatic departure from the budget practices and procedures that existed at the time. It was, therefore, obvious that no one could anticipate all of the effects that could result from enactment of the Congressional Budget Act. I do not believe that the Congress fully anticipated the uses that would be made of the fast-track reconciliation process.

The reconciliation process is a fast-track, deficit-reduction vehicle which, under the Congressional Budget Act, cannot be filibustered against. A simple majority of Senators voting determines what amendments the Senate will adopt to a reconciliation measure, and a simple majority is sufficient to pass the legislation.

First degree amendments, as I say, get 2 hours of debate; second degree amendments get 1 hour. All debate must fall within the act's 20-hour cap. It is for this reason that I have called reconciliation a colossally super gag rule. It is a gigantic bear trap.

I do not believe, Mr. President, the participants in the creation of the Congressional Budget Act recognized the way—I do not believe they recognized the way; I did not recognize it—in which this expedited reconciliation process would be used. They intended the reconciliation process to be a way to ensure that the spending and revenue and deficit targets for a given fiscal year would be met. In fact, there were no reconciliation instructions in budget resolutions for fiscal years 1975, 1976, 1977, 1978, or 1979. The Senate Budget Committee first reported a budget resolution containing reconciliation procedures for FY 1980, under the chairmanship of Senator Muskie, Ed Muskie. The following year, the new Budget Committee chairman, Senator HOLLINGS, included reconciliation instructions in the 1981 budget resolution in the form of a binding revision of the 1980 budget resolution.

Then, for fiscal year 1982, Senator DOMENICI assumed the chairmanship of

the Budget Committee, a post which he also holds today, and he made further innovations in the reconciliation process. In fact, I understand that it was during this period that the revised budget resolution for fiscal year 1981 included reconciliation instructions for years beyond the first fiscal year covered by the resolution, thereby extending the reach of reconciliation to more permanent changes in law. No longer was reconciliation just a ledger adjustment for one year.

Since that time, reconciliation instructions have been included in budget resolutions for FY 1981, 1982, 1984, 1986, 1987, 1988, 1990, 1991, 1994, and 1996. By the same light, budget resolutions did not include reconciliation instructions in many fiscal years, including fiscal years 1989, 1992, and 1993, during multi-year budget agreements.

Over this period, Congress used reconciliation legislation to accomplish substantial deficit reduction. At the same time, however, many legislative items were included in reconciliation bills that had no business being there. And it is not surprising, Mr. President, that attempts have been made to include extraneous matters in reconciliation bills. After all, the fast-track procedures for considering reconciliation bills, as well as conference reports thereon, make them almost irresistible vehicles to which Senators will attempt to attach non-budgetary legislative matters.

It was in response to this problem that I offered an amendment to the Consolidated Omnibus Budget Reconciliation Act of 1985, originally adopted as a temporary rule and made permanent in 1990 as Section 313 of the Congressional Budget Act of 1974, as amended. The purpose of what is commonly referred to as the ''Byrd Rule'' was to curb this tendency to include extraneous matter in reconciliation measures. That is why the Byrd rule came about. The Congressional Research Service recently issued a report for Congress entitled, ''The Senate's Byrd Rule Against Extraneous Matters in Reconciliation Measures: A Fact Sheet.'' According to that report, in the five reconciliation measures to which it applied, there have been 16 cases involving the Byrd Rule. In 11 of those cases, opponents were able to either strike extraneous matter from legislation—in six cases—or bar the consideration of extraneous amendments—in five cases—by raising points of order. Three of ten motions to waive the Byrd Rule were successful and two points of order against matter characterized as extraneous in a conference report were rejected. It appears, then, that the Byrd Rule has had some success in keeping extraneous matter out of reconciliation measures.

Yet, Mr. President, more needs to be done to ensure that Senators and the American people are fully informed as to what is included in these massive reconciliation bills before they are voted upon.

The people have a right to know, our constituents have a right to know what is in this bill, and we Senators have a right to know, and we Senators have a responsibility to know. But how can we know under the circumstances—under the circumstances?

As it stands now, the Budget Act allows only 20 hours of debate on reconciliation bills and only 10 hours of debate on reconciliation conference reports. And that does not even begin to be a sufficient amount of time to address the massive number of items that are contained in reconciliation bills. These bills contain a large number of permanent changes in law which would otherwise have extended debate, which would otherwise have to go through the process of amendments and thoughtful consideration, debate, perhaps days of debate.

Yet, we are all put under the gun, on both sides of the aisle, to get the reconciliation bill through with a modicum of debate, both in the Budget Committee and here on the Senate floor. I am having to make this speech on my amendment today, the day before we will actually take up the reconciliation bill because there will likely not be time to discuss my amendment during regular consideration of the bill.

I have an amendment. It will be subject to a 60-vote point of order. It probably will not be adopted, but I am going to offer it anyhow. Do you think I will have time to debate that amendment when this bill is up before the Senate? We have a very little amount of time.

I do not raise this issue for any partisan purpose. When Democrats controlled the House and Senate, reconciliation bills were also far-reaching and yet received no more consideration than will the 1996 reconciliation bill. I am convinced, though that regardless of which party is in the majority, reconciliation bills and conference reports require more of the Senate's time than the Budget Act presently allows. So I intend to offer an amendment to the reconciliation bill which will increase from 20 to 50 hours the time limitation for debate on future reconciliation measures and to increase from 10 to 20 hours the time limitation for Senate consideration of conference reports thereon. I recognize, as I say, that a Byrd Rule point of order can be raised against my amendment, in that it has no effect on outlays or revenues.

Nevertheless, I urge my colleagues to refrain from raising a point of order against this amendment and, instead, to join me in adopting the amendment, both sides, Senators on both sides need more time for consideration of such a leviathan as this. While not a magic pill that will solve all the problems we face in reconciliation bills, I feel that this increased time for consideration of reconciliation bills and conference reports in the future does constitute a much-needed improvement to the present reconciliation process.

Analogies between the legislative process and making sausage have often been made, but in no instance does legislating resemble sausage making more than in the process known as reconciliation.

Unlike most legislative vehicles which emanate from only one committee, the reconciliation bill is a hodgepodge, a catchall, of proposals from every authorizing committee, sewn into one skin called a reconciliation package. The package is usually massive, as we have noted here today, and contains far-reaching changes in the law—some of them beneficial, some of them detrimental, and some of them downright ridiculous. The point here is that the expedited procedures and very tight time limits have, over the years, become opportunities for those who would abuse the process. Unfortunately, the Byrd Rule, which was intended to help lessen the prospects for abuse in reconciliation has, over time, become a favorite parlor game for many of Washington's fertile legal minds, and ways have been found to circumvent its intent.

It is my belief that very often the final reconciliation sausage would not pass public inspection if there were a little more time for examination and debate. Our aim in the Senate should never be to hide important public issues from the public eye. While we need to keep the deficit reduction train on track with some sort of time limits, we do not need to be in such a hurry that the toxic material in the boxcars is rushed by without even a moment for a cautionary warning flag to be raised.

We should give the American people a little more of a window on the reconciliation process here in the Senate, and at least allow for some additional debate and some additional opportunity to amend the bill. My amendment would make the ingredients of the reconciliation process a little more pure and, hopefully, a little better seasoned. I believe mine is a constructive change, and I will hope for bipartisan support when I offer it to the reconciliation bill.

Mr. DORGAN. Mr. President, I wonder if the Senator from West Virginia will yield to me for a question?

Mr. BYRD. Yes, I gladly yield.

Mr. DORGAN. Mr. President, let me first indicate that I hope that the Senator will add me as a cosponsor to his amendment that would expand the amount of time available for which there would be debate on the reconciliation bill.

Mr. BYRD. I will be happy to do that.

Mr. DORGAN. I think that is a very important amendment, and I hope people will not raise points of order against it. But even that is a minuscule amount of time with which to evaluate this kind of legislation.

My understanding is that the reconciliation bill, when it comes to the floor of the Senate, will be somewhere over 2,000 pages, and that includes everything. It is now 20 minutes to 1. We

are told today may be the day we will begin considering the bill. It is not available. I have not seen a bill. I have asked for it. It is not available. So a piece of legislation that will be probably 2,000 pages long, if it includes everything—the House version is 1,500 pages long but does not include the three major areas, that is text to be added later, I understand.

Mr. BYRD. The Senator is correct.

Mr. DORGAN. So we are talking about a proposal that will have some of the most profound changes we have seen in 30, 40, 50 years coming to the floor of the Senate later today, and it is now 20 minutes to 1 and it is not yet available, not yet written, not yet provided to Members of the Senate. Fifty hours is not enough. I support the Senator's amendment.

I have heard in the past people say, ''Well, how can we legislate if we don't have access to what is being done here?''

The Senator from West Virginia comes from a rural State, as do I. This will contain, when it gets here, essentially, a new farm bill. We are required to write a farm bill every 5 years. This is a year to write a farm bill. It is now late October. We do not yet have a farm bill.

This will contain the structure of the new farm bill. It should not be here. That is a slap in the face at rural States. It is in there. Yet, like everything else, it will have a profound impact on a rural State and almost no opportunity will exist to get at it, to amend it, and to have a thoughtful, responsible debate about what farm policy will be in our country.

This will have a substantial impact on men and women all over this country who are trying to run a family-sized farm.

Does the Senator from West Virginia have a copy of the reconciliation bill yet, or has the Senator from West Virginia sought to get a bill?

Mr. BYRD. I have sought to get a copy and a copy is not available. I have in my hands a copy of the House reconciliation bill covering 1,563 pages. As the distinguished Senator from North Dakota has pointed out, there are three titles which are yet to be supplied.

I do not know what the size of the Senate reconciliation will be. It may be longer or shorter. I think the Senator is well within reason to expect at least 1,200 to 1,500 pages.

These will be changes of great magnitude—complex—in Medicare, Medicaid, and as the Senator has already said, farm legislation. Various and sundry laws will be repealed and amended which otherwise would perhaps require hours and hours or days, even, for debate on the Senate floor.

I will certainly be pleased to add the Senator's name to my amendment. I hope that Republicans will join in supporting this amendment because they, too, should be concerned about what we are doing here—enacting legislation of this enormity without knowing what is in the legislation, without having an opportunity to adequately study it or amend it.

I thank the Senator for his willingness to join in the presentation.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:42 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. GREGG].

TEMPORARY FEDERAL JUDGESHIPS COMMENCEMENT DATES AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to consideration of S. 1328, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1328) to amend the commencement dates of certain temporary Federal judgeships.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I am pleased that the Senate is taking up S. 1328, a bill that amends the commencement dates of certain temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990 [Public Law 101–650, 104 Stat. 5101].

The minor adjustment embodied in this bill should improve the efficiency of the courts involved. This is not a controversial change, but it is a necessary one.

I am pleased to have Senators BIDEN, GRASSLEY, HEFLIN, SPECTER, SIMON, DEWINE, FEINSTEIN, and ABRAHAM as original cosponsors of this bill.

I also want to thank the Administrative Office of the U.S. Courts and the fine Federal judges, particularly Chief Judge Gilbert of the southern district of Illinois, who called to my attention the need for this legislative fix—and the need for it to be passed before December 1, 1995.

The Judicial Improvements Act of 1990 created the temporary judgeships at issue in two steps.

First, the 1990 act provided that a new district judge would be appointed to each of 13 specified districts.

Second, the act then provided that the first vacancy in the office of a district judge that occurred in those districts after December 1, 1995 would not be filled.

That two-step arrangement, which is typical in temporary judgeship bills, is required in order to ensure that the judge filling a temporary judgeship is still a full-fledged, permanent, article III judge in accordance with the Constitution.

Thus, although a new judgeship in a given district has only a temporary effect, the individual judge appointed serves on a permanent basis in the same manner as any other article III judge.

It is the time between the appointment of a judge to a temporary judgeship and the point at which a vacant permanent judgeship is left unfilled that is key. That overlap is what effectively adds another judge to the district for a temporary period of time.

The 1990 act created the temporary judgeships in the following 13 districts: the northern district of Alabama, the eastern district of California, the district of Hawaii, the central district of Illinois, the southern district of Illinois, the district of Kansas, the western district of Michigan, the eastern district of Missouri, the district of Nebraska, the northern district of New York, the northern district of Ohio, the eastern district of Pennsylvania, and the eastern district of Virginia.

However, due to delays in the nomination and confirmation of many of the judges filling those temporary judgeships, many districts have had only a relatively brief period of time in which to take advantage of their temporary judgeship.

In the district of Hawaii and the southern district of Illinois, for example, new judges were not confirmed until October 1994. Other districts have faced similar delays.

Those delays mean that many of the temporary judgeships will be unable to fulfill congressional intent to alleviate the backlog of cases in those districts.

Many of the districts faced a particularly heavy load of drug enforcement and related matters. Those cases will not be absorbed adequately if the first judicial vacancy that occurs in those districts after December 1, 1995 must go unfilled.

This bill solves the problem by changing the second part of the temporary judgeship calculus.

The bill provides that the first district judge vacancy occurring 5 years or more after the confirmation date of the judge appointed to fill the temporary judgeship would not be filled.

In that way, each district would benefit from an extra active judge for at least 5 years, regardless of how long the appointment process took.

This will help alleviate the extra burden faced in those districts. The only district excluded from this treatment is the western district of Michigan. That district requested to be excluded because its needs will be met under the current scheme.

I also note that the judges from the affected districts have requested that this bill be enacted before December 1, 1995. After that date, some vacant judgeships will be unable to be filled under current law.

That is why this bill has some urgency. And that explains why the bill

has not gone to the Judiciary Committee, but was placed directly on the calendar.

I wish to clarify that for the benefit of my colleagues, who may not be so familiar with this measure, and who may have wondered why that was done.

As the list of original cosponsors shows, the Judiciary Committee supports the substance of this bill. I also note that there was no opposition from any Senator on the Judiciary Committee to placing S. 1328 on the calendar directly.

I see no reason for a prolonged debate on this noncontroversial measure, and I commend my colleagues on both sides of the aisle who have cooperated in moving this measure along.

I should also note that no one should confuse this bill with the Judicial Conference's request to Congress for additional judgeships. No one has yet to introduce that bill, and its merits have yet to be considered by the Judiciary Committee.

Finally, although this bill is needed because Congress in 1990 underestimated the timeframes involved in the confirmation process, the need for this bill is in no way a reflection on the speed with which Senator BIDEN, when he was chairman of the Judiciary Committee, or I as the current chairman, have proceeded with the judicial confirmation process.

This bill would have been necessary regardless of who was chairman of the Judiciary Committee. The nomination and confirmation process is a deliberate undertaking.

It has been my aim to have the Judiciary Committee process judicial nominees in a manner that is thorough, but also fair and expeditious.

Since January 1995, 8 circuit judges, 28 district court judges and 2 judges of the Court of International Trade have been confirmed.

Of the judicial nominees confirmed this Congress, it has taken only 70.85 days from the date a judge is nominated to the date he or she is confirmed by the full Senate.

That amounts to a speedier confirmation process in the Senate than occurred even when the Democratic Senate was charged with confirming Clinton nominees.

The committee has carried out what is arguably its most important task fairly and diligently in this session of Congress.

The upshot of this is that the courts are currently operating at nearly optimal levels. For example, there are only 11 unfilled circuit court seats in the Nation out of 179 permanent circuit court judgeships.

Adding both circuit and district court vacancies, there are only 57 vacancies unfilled out of the 828 judges of the Federal judiciary. This means that only 7 percent of all seats on the Federal bench are vacant.

When pending nominees are excluded, only 33 seats are open—just 5 percent of all seats.

While we intend to be very thorough in our consideration of nominees for lifetime judicial appointments, we recognize the priority of this constitutional mandate on the Senate.

I wish to thank my colleagues on the Judiciary Committee and in the Senate as a whole for their cooperation in the confirmation process, and I commend them for their accomplishments in this regard this Congress.

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

Mr. HATCH. I would be happy to.

Mr. FORD. For a long time, three States have had split judges. The State of Kentucky has one, I think Missouri has a good many, and so does Oklahoma. The reason I ask the Senator this question is that we have the split judge driving from one end of the State to the other, and most of the judicial time that is needed in court is spent on the road. Until and unless we can have an additional judge, we will still have the split judge.

I think an amendment to eliminate the split judge and add one, even though the commission, as the Senator mentioned earlier—we have not considered its recommendations. I understand they recommended an additional judge to eliminate our split judge. That was withdrawn, and we fired off letters asking them to come back.

I believe this amendment would be germane. And, I intend, after we are offered the President's budget to approve and other things on this bill, to offer that amendment. I wanted to alert the Senator so he understands what I am concerned about.

Mr. HATCH. I do. Is the Senator intending to offer it on this?

Mr. FORD. I am hoping to offer it on this bill because this amendment is more germane to the bill than some of the other amendments we are going to get this afternoon.

Mr. HATCH. I would like the Senator to withhold. We are looking into adding additional judgeships. I believe before long, in the next year, we will probably pass a bill to add additional judgeships.

Mr. FORD. But I say to my good friend, into the next year we will have this one particular judge, and she will be driving from Ashland, KY, to Paducah, KY, from Louisville to Owensboro, and on the road. We have cases that are beginning to pile up, and it is no fault of the split judge.

So it is just very important that I at least get this out for people to think about, and I may introduce it. I have it prepared to introduce as an amendment to this bill. As I say, it will be more germane to this bill than other nonbinding amendments, sense-of-the-Senate resolutions that are going to be offered here this afternoon to try to make us walk the plank. We voted 99 to 0 on the one that is going to be offered next, I think.

So I just wanted to be sure that the Senator understood why I am doing it, and not because of the Senator's position and my respect for the Senator.

Mr. HATCH. I appreciate that. I understand. I hope the Senator will withhold because I will certainly give every consideration to this and solving it in an expeditious manner.

Mr. FORD. It will probably be next year before we can get to it.

Mr. HATCH. Perhaps we may be able to do something before then.

Mr. FORD. This has been going on for a long time. We have been waiting for the commission's report. Then they withdrew that. So I waited for that without doing anything. Now I feel I am almost compelled for my constituents to be served by the Federal judiciary.

Mr. HATCH. Let us chat about it. Let us see what we can do.

Mr. FORD. I thank the Senator. I thank the Chair.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Thank you, Mr. President.

I simply want to thank my colleague from Utah for moving ahead with this bill. We face problems in two districts in Illinois, and this bill takes care of their problems, among others. I appreciate the leadership of my colleague from Utah on this.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 2943

(Purpose: To express the sense of the Senate regarding the President's revised federal budget proposal)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM) proposes an amendment numbered 2943.

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

Mr. FORD. Mr. President, I object to dispensing with the reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Strike all after ''SECTION'', and insert in lieu thereof the following:

. SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(A) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99–0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in

the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was ''using the independent numbers of the Congressional Budget Office'' because ''the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.''

(6) President Clinton further stated: ''Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them.''

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in ''non-health entitlements by 2002 by reforming welfare, farm and other programs.''

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact the President's budget as revised on June 13, 1995.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair.

Mr. President, I offer this amendment. It is not the identical amendment that we voted on previously. The first amendment, sense-of-the-Senate amendment was on the President's first budget that he introduced back in February. This is on the revised Clinton budget that purports to balance the budget over the next 10 years. And the reason, if I may respond to the senior Senator from Kentucky, that I am introducing this is not to vote on the same thing we had before. If the President were not running around the country talking about how he has a balanced budget over 10 years, there would be no need for us to bring this to the Senate floor and have a debate exposing a phony balanced budget.

However, the President continues to go around the country saying, as he did on September 30, I have proposed a balanced budget plan that reflects our fundamental values. This is September 30, 1995. I am sure we can find hundreds of quotes as he has campaigned around the country where he has said that this budget comes into balance and reflects his values and all these things.

It may reflect his values. Principal among his values is he does not want to balance the budget because this does not balance the budget. It may reflect other values in spending more money and all the other things that he wants to do, but fundamentally this budget does not balance. And so the President's actions are the reason we have decided to bring this amendment to the floor and debate this issue. I think we need to expose this budget for what it is and have a vote here on the Senate floor to determine whether we want to take the course the President would like to take us on, which is unbalanced budgets, according to the Congressional Budget Office, of $200 billion or more for the next 10 years and beyond.

Let me read you what the Congressional Budget Office estimates the Clinton revised budget will result in. In 1996, the Clinton budget will produce a $196 billion deficit; in 1997, a $212 billion deficit; in 1998, a $199 billion deficit; in 1999, a $213 billion deficit; in the year 2002, a $220 billion deficit; 2001, a $211 billion deficit; 2002, a $210 billion deficit; 2003, a $207 billion deficit, and in 2004 and 2005, a $209 billion deficit.

That is not a balanced budget. It is not a balanced budget in 10 years. It is not going to be a balanced budget in 20 years or 30 years or 40 years. It is a phony, and the President should stop running around trying to convince and fool the American public into believing that he has this grand scheme to balance the budget when in fact it does not balance, and to say that our reductions in spending are somehow mean spirited and draconian, that we do not have to do these things to balance the budget when he knows in fact that is probably the only way we are going to balance the budget is to do what we are suggesting.

And so that is why this amendment is here. It is here because the President refuses to come to Washington and solve the budget crisis and instead decides to run around this country and promote a phony balanced budget. We want to bring this phony balanced budget back to where it can be seen in the light of day and understand that this does not quite wash.

Now, the Democratic National Committee has the audacity to put on TV spots. Let me quote for you this TV spot that they have. ''There are beliefs in values that tie Americans together. In Washington these values get lost in the tug of war. But what's right matters.''

I agree; what is right does matter. ''Work, not welfare, is right.'' In the budget reconciliation bill that will be in the Chamber tomorrow is a welfare reform bill that passed 87 to 12 on this floor. And it does require work and has strong bipartisan support. ''Public education is right.'' Again, if you look at the budget reconciliation bill, very little of it—very little entitlement education spending. The bulk of the education spending is in the education appropriations bill, of which of the $23 billion that we are going to spend this year, it is a reduction of $400 million.

By the way, we spend in public education in this country $400 billion. We are talking about a reduction of one-tenth of 1 percent in the amount of money we spend on public education. That is hardly a draconian cut, one-tenth of 1 percent, in a system that everyone agrees could use a lot of belt tightening.

So we have public education I think pretty well in focus here. ''Medicare is right.'' I agree; Medicare is right. Medicare deserves to be saved. We have the only proposal that is going to be put forward that saves Medicare, not just for this generation but future generations. And I would also remind you from the resolution's reading that the President's balanced budget, which does not balance, reduces the growth in Medicare more than his tax cut that is in his own bill. The same thing he, by the way, claims we are doing in our bill. So it is just a matter of degree, not a matter of direction. We believe that Medicare needs to be saved, not just for a year or two but for the long-term.

''A tax cut for working families is right,'' they say in the ad. Well, we have a tax cut for working families. Over 90 percent—listen to this—over 90 percent of the tax reductions in the Senate Finance Committee bill, the bill that is going to be in the Chamber, over 90 percent of the benefits go to families under $100,000 in income. Over 70 percent of the benefits go to families under $75,000 in income. That is our proposal. It is a very much middle-income, pro-family tax cut. And anyone who would like to claim otherwise is demagoging, not reading the specifics of the bill. Read the bill. Read the bill. It is pro family, pro growth, pro jobs, and pro balancing the budget.

Then it continues on. ''There are values behind the President's balanced budget plan.'' A TV ad that calls the President's plan, that the Congressional Budget Office says is out of balance forever, they have a TV ad running now that says the President has a balanced budget plan. On national TV. Just out and out lying to the American public.

Now, you would say, well, maybe the Congressional Budget Office numbers are not the numbers we are going use, are not the numbers we should use. I would just remind you that the President was the one who said we should use the Congressional Budget Office. In his first State of the Union Address he came to the Congress, right in a joint session over on the House side and he stood up and said the Office of Management and Budget numbers have been wrong; they have been rosy; they have been exaggerating growth, underestimating inflation and they cannot be trusted. The only numbers we should use, so we can all talk about the same set of numbers, is the Congressional Budget Office numbers.

That is what he said. He promised. Now, I know it is going to probably strike people as absolutely incredible that the President would actually go back on one of his promises, but here

we have it again. The President promised to use the Congressional Budget Office, promised to use the same set of numbers, promised that he would shoot straight with the American public, promised. And then he comes forward with a phony balanced budget using trumped-up numbers, and the Congressional Budget Office, the one he promised to use, says you will have $200 billion-plus deficits for as far as the eye can see. And then comes on the air with a TV ad saying that he has a balanced budget, lying—the Democratic National Committee lying—to the American public that the President has a balanced budget.

And you want to know who is telling the truth around here. I hear so much of the American public saying, well, who do we believe? I can understand why they say that. You had so much misinformation out here, so many deliberate distortions of what is going on in this Chamber that it is no wonder the American public just throws up their hands and says who do we believe? That is the strategy: Confuse, obfuscate, muddy the waters, do not let anybody know who is really right and who is really wrong. Do not tell the truth about what is going on here.

And here we have this Democratic National Committee television spot saying that there are values behind the President's balanced budget, values Republicans ignore; Congress should join the President and back these values so, instead of a tug of war, we can come together and do what is right for our families.

We are ready to come together. We are here with a balanced budget over 7 years. We are here with real changes. We are here with real solutions. We are here ready to engage with the President on a real budget, not run around and campaign on a phony budget that does not balance. I can tell you for those of us who were in the trenches making these tough decisions which we know affect millions of peoples' lives, it does not help the air of cooperation to have a President demagoging this issue so he can get elected in the next election and not be here in Washington to solve the problem. Someone should inform the President that he was elected to serve as President, not elected so he could run for reelection as President, but that his job is here to solve problems.

That is why I offer this amendment. I offer it to bring to light and to have a vote on the phony budget, and to see who supports phony budgeting around here, who supports trumped up, rosy scenarios, exaggerated growth, underestimated interest rates as a way to solve the budget. We have had that for years around here, frankly, from both administrations, Republican and Democrat, and I think everyone should be tired of it.

We should deal with the real numbers, conservative estimates, that get us to a balanced budget in a reasonable set of time, and that is 7 years. And I am hopeful we can reject this amendment.

I will just remind everybody that I came up here on the floor Friday, Friday morning, and said I would have sitting at the desk, which it has been all week long, a copy of this resolution, and encouraged someone from the other side to offer it, to stand up and defend the President's budget. I said, "Come to the floor, pick it up, debate it. I will be here to debate the President's budget with you if you want to defend the President's budget. There is the resolution."

It is now the day before reconciliation, the day before the rubber hits the road, and no one did. So I decided to pick it up and offer it on behalf of the body. I cannot support the President's budget. It is a phony budget, but I think we should have a debate about it. I think those who want to defend what the President is doing, the posturing that he is taking, the politicization of this debate, the demagoging that has gone on, should feel free to defend it and show the American public what you are really for.

Let us find out what people in this Chamber are really for. Are we for a balanced budget or not?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2944 TO AMENDMENT NO. 2943

Mr. WELLSTONE. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 2944 to amendment No. 2943.

The amendment is as follows:

Strike all after the first word and insert, in lieu thereof, the following:

In the event provisions of the FY 1996 Budget Reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of FY 1996, the Congress shall revisit the provisions of said bill which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I did not realize that we were going to start the debate on what we call the reconciliation bill today. But if we are going to do so, then I want to have out on the floor what I think are an important set of concerns. And by the way, I think, Mr. President, they are the concerns of the vast majority of people in this country.

What this perfecting amendment says in the sense of the Senate is that if, in fact, as a result of this bill with the budget cuts, we see an increase in the number of hungry or medically uninsured children in America by the end of fiscal year 1996, the Congress shall revisit the provisions of this bill which caused such an increase and shall adopt legislation which would halt the continuation of such an increase.

I expect to get 100 votes for this amendment, Mr. President. I have said many times on the floor of the Senate that it is quite one thing—I have heard my colleague from North Dakota say it better than I—it is quite one thing to talk about deficit reduction and a balanced budget. I do not believe there is a Senator that serves in the U.S. Senate, Democrat or Republican, who is proud of the decade of the 1980's-plus where we built up the debt and the interest on the debt. It is time to start paying off that interest on the debt. It is time to put our fiscal house in order.

But, Mr. President, it is quite another question as to whether or not we see in this proposed deficit-reduction plan what I would call the Minnesota standard of fairness. Too many of the cuts—every day people are reading in newspapers, every day people are hearing on the radio, every day people are seeing in some of the TV reports that too many of these cuts seem to be based on the path of least political resistance.

Mr. President, too many of us in office love to have our photo op, love to have our picture taken next to children. It is a great photo opportunity. All of us talk about the importance of children. All of us talk about the future and the importance of children. Well, what this amendment says—and that is why it is such an important perfecting amendment—is that if, in fact, these proposed reductions in the Food Stamp Program, the Women, Infants, and Children Program, nutrition programs for children and family childcare centers, really, whether it be center-based child care or family-based child care, or whether or not the cuts in medical assistance—in my State there are over 300,000 children, many of them in working-poor families that are covered by medical assistance—that if these reductions should result in an increase in the number of children that are hungry or the number of children who now find themselves without health insurance, then we will revisit this question, we will revisit the provisions of this bill which cause such an increase; and then, after that, we will take such practical steps as can be taken that would, in fact, halt the continuation of such an increase.

Mr. President, I came out here on the floor of the Senate at the beginning of this Congress and I said to my colleagues, "I believe that what we are going to do this session is we are going to, in the name of deficit reduction, take food out of the mouths of hungry children." I have said that more than once on the floor of the Senate. And I had an amendment, it was a sense-of-the-Senate amendment, that said the U.S. Senate, that Congress, shall take no action that will increase the number of hungry or homeless children.

Mr. President, I lost. I lost on that amendment on the first two votes. And I remember one of my colleagues on the other side of the aisle—and I have many close friends on the other side of the aisle, including the distinguished Senators on the floor, I would say especially the distinguished Senator from Utah—but I remember that one Senator came out and said, ''The only thing the Senator from Minnesota is trying to do is embarrass us.'' And I said, ''You can just prove me wrong and vote for this.''

And then, finally, Mr. President—and I deeply regret that I did this—I introduced the amendment again, and it was accepted, and it was voice voted. But I am not interested in symbolic politics any longer. We are getting into the debate now.

I probably would not have had this amendment today, but when the Senator from Pennsylvania comes out with his amendment, his concerns, then it is time for me to come out with my amendment and my concerns.

Mr. President, these children, they are not the heavy hitters. These children, they are not the players. These children, they do not have a lot of lobbyists that are out there in the anteroom right now, and they have not been here throughout this process.

But some of my colleagues just want to talk about the balanced budget over and over and over again, deficit reduction over and over and over again. But how interesting it is that they fail to translate some of their proposals into human terms and what its impact on people is going to be.

Mr. President, we have scheduled in this reconciliation bill dramatic reductions of investment in children.

We have scheduled in this reconciliation bill, in this deficit reduction bill cuts in the Women, Infants, and Children Program. Unbelievable, Mr. President. My God, if there is one thing we ought to agree on, it is that every woman expecting a child ought to have an adequate diet, and we are not going to invest the resources necessary for that?

Mr. President, the Food Stamp Program certainly has its imperfections, and I am all for fixing the problems, but there is a difference between fixing problems and, no pun intended, throwing the baby out with the bath water. I can tell you that with Richard Nixon's leadership, with national standards and dramatic expansion of such a program in the early 1970's—and I saw it in the 1960's in the State of North Carolina where I lived, we had all too many children with distended bellies, too much rickets, scurvy, too many children malnourished—we moved forward with a dramatic expansion of the Food Stamp Program, and it has been—imperfections and all—one of the most important and successful programs in this country because, thank God, it reduced hunger and malnutrition among children in America, hunger and malnutrition among all of God's children.

I ask the Chair, where is the voice for low-income children? Where is the voice for some of the most vulnerable citizens in this country?

So if we are going to now, today, debate this budget, it is my opportunity to make my case and to make my plea to my colleagues that we should go on record, Mr. President, as Senators making it clear that if these reductions should increase the number of hungry or medically uninsured children by the end of fiscal year 1996, the Congress shall revisit the provisions of such a bill that caused such an increase, and then we shall adopt legislation which would halt such an increase.

I met on Saturday with family child care providers. I say to my colleague from Iowa, these are small business people. There are some 14,000 in the State of Minnesota. What did they say to me? They talked about the adult and child care feeding program and they said to me, ''Senator, we don't know what is going to happen with the proposed reductions in this program, because for a lot of these kids coming from these families, this is the one really good meal they get a day, and we can't assume the cost ourselves because we're small business people and we don't have any big margin of profit. Senator, who cares about these children?''

But, again, we see reductions in this program.

We are talking about $180 billion-plus of cuts in medical assistance, and I said several weeks ago on the floor of the U.S. Senate when I suggested that the Senate Finance Committee not meet because there had not been one hearing on the precise proposals that had finally been laid out with one expert coming in from anywhere in the country, I said, this was a rush to recklessness, and it is.

It is a rush to recklessness, and what is so tragic about it is that the missing piece is the impact on the people back in our States. The State of Minnesota, again, has done a great job. You can talk to the doctors and the nurses, you can talk to the caregivers, you can talk to the people in the Government agencies, you can talk to the people in the communities, we have 300,000 children that receive medical assistance and now we are going to see draconian cuts in medical assistance.

There is a reason why there has been an increase, and the reason is simple: Every year, more and more families lose their employment-based health care coverage. Every 30 seconds, a child is born into poverty in this country. I keep reciting these statistics over and over again because I do not seem to be able to get my colleagues to focus on it. Every 30 seconds, a child is born into poverty in this country. Every 2 minutes a child is born to a woman who has not had prenatal care. Every 2 minutes, a child is born to a woman and that child is born severely low weight, which means that child may not even have a chance in his or her life. The statistics go on and on.

We are now moving toward one quarter of all the citizens in this country being poor. So if we are going to have this debate today, I offered my perfecting amendment to the amendment of the Senator from Pennsylvania to say let us go on record and let us make it clear that surely we are not taking any action that is going to reduce more hunger or is going to increase the number of children that go without medical insurance and, therefore, without adequate medical care.

Mr. President, while I am speaking and before I forget, I do want to also ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum. Was there a sufficient second?

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HATCH. Mr. President, reserving the right to object. It is one thing to ask for the yeas and nays. We are not prepared to vote on this amendment. So I object.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the quorum call be dispensed with and we go forward.

Mr. HATCH. Mr. President, I object.

The PRESIDING OFFICER. The Chair recognizes there was a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, what we have here, which is why I offered this perfecting amendment, is the following equation: On the one hand, we have in the State of Minnesota somewhere between $2.5 billion and $3.5 billion of cuts in medical assistance.

And what do I hear from citizens in Minnesota, I mean from those who are affected? I hear families with children telling me we do not believe that our children are any longer going to be able to receive adequate medical care. I suggest to you as a former teacher, that if a child goes to school—and I have met such children in my State of Minnesota, and, Mr. President, I say to my colleagues, there are such children in their States as well —with an abscess tooth because that child could not afford dental care or because a child goes to school and that child has not received adequate health care, that child cannot do well in school.

So, to me it would be unconscionable—it would be unconscionable—to essentially dismantle one of the most important safety nets we have for children in our country.

I meet with families, I say to my colleagues, who right now receive medical assistance so they can keep their children who are developmentally disabled at home. If these proposed cuts in medical assistance go through, their fear—

Mr. President, may I have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WELLSTONE. I thank the Chair.

Mr. President, their concern is that what will happen is they will no longer have the medical assistance program—it is called TEFRON—in our State to enable them to keep their children at home, and they do not want their children to be institutionalized.

Are we going to turn the clock backward? That is why I have this amendment. This is not a game. These are people's lives. I want my colleagues to go on record that if these proposed reductions mean that there will be more children in America that will go hungry or more children in America that will go without health care insurance, then we will, in fact, in 1996 revisit the provisions and take the corrective action to make sure that we do not continue to see this suffering. That is what I am asking my colleagues to vote on.

The medical assistance program is a vitally important program for children in America, yet we have these huge reductions slated and nobody has bothered to ask these children or their mothers or their fathers—many of them come from working poor families—''How is this going to affect you and what will you do?'' Nobody has bothered to go out there and over and over and over again meet with people in the developmental disabilities communities and find out from them, ''How is this going to affect you? What are you going to do?''

I had an amendment on the floor of the Senate to the budget resolution that said we ought to consider some of these tax loopholes and deductions and tax giveaways.

A dollar spent by the Government is a dollar spent, regardless of how you do it. It can be a direct subsidy or it can be a giveaway to some large corporation.

My amendment said we ought to consider some of this; it was defeated. Let me be clear about the why of this amendment on the floor of the Senate today.

The U.S. Senate, when it comes to what we call corporate welfare, when it comes to some of the largest tax giveaways to some of the most affluent citizens, largest corporations in America, we do not want to take any action, do not want to ask them to tighten their belts, and do not want them to be part of the sacrifice, but we are willing to cut nutrition programs for children in America.

That is not the goodness of people in this country. But it is pretty easy to explain because those children are not out there with their lobbyists.

The Wall Street Journal had a piece yesterday about the mix of money and politics. It is unbelievable the amounts of money pouring in from all over the country. But those children, they are not the ones that get represented in such a politics.

Today we get a chance to give our assurance to those children that we take account of them and we take account of their lives.

Mr. President, we had a bill out here, appropriations bill that was the Pentagon budget. It was $7 billion more than the Pentagon wanted. It passed. Many of us were saying, could we not put that money into deficit reduction? Could we not at least do a little bit of the balancing of the budget? This is all about priorities, all about choices. Could we not ask the military contractors to tighten their belts?

My colleague from Iowa has probably done the best work in the Senate in pointing out where he thinks there has been some waste here and where he thinks there could be most fiscal accountability.

Mr. President, we were not successful. So we got $7 billion more than the Pentagon wants. We got the money for the military contractors. We go forward with the weapon systems. We go forward with add-on projects. We go forward with this budget. But at the same time, we are going to cut nutritional programs for children and medical assistance for children in the United States of America.

Mr. President, the last piece of this, as long as my colleague brings out this whole issue of the budget, is we now look at the Treasury Department analysis, we now look at pieces that are being written in the papers, and we have $245 billion of tax giveaways.

In the best of all worlds, I would love to vote for it. But it is, I have said on the floor before, it is like trying to dance at two weddings at the same time. As my colleague from Illinois, Senator SIMON, would say, if deficit reductions are our No. 1 goal, we will be put on a strict diet. The next thing we do is say, but first we will give you dessert. It is preposterous.

What is more preposterous is when in fact you are willing to give away $245 billion in breaks, most of it going to the most affluent citizens who do not need it, but you are going to cut the Women, Infants, and Children Program, nutrition programs for children, and medical assistance that has become the most sweeping and important safety net program in this country for children in America.

Mr. President, I just ask my colleagues, where are the priorities? Mr. President, I do not intend to filibuster the Senate. I do not intend to bring the Senate to a halt. I am quite pleased to go forward.

Mr. President, let me just conclude because out of respect for my colleague from Utah who is managing this bill I will not take up much more time. Mr. President, my colleague from Pennsylvania came out here on the floor and did what he felt was right. I respect him for that.

He absolutely should do so. He has his set of concerns. He talks about a balanced budget. He talks about deficit reduction.

I also have a set of concerns. I have a set of concerns about whose backs is the budget balancing on? I have a concern about where is the standard of fairness? I have a concern about all the reports that are coming out talking about the fact that this proportionate number of the budget cuts target low-income citizens in America—the poorest of poor people, with children unfortunately being disproportionately affected by these reductions.

I have concerns about too many children who live in poverty today. I have concerns about what the impact in personal terms of some of these reductions in nutrition and health care programs will be on the nutritional status and health status of children in Minnesota and all across this land.

Since I think we have had precious little discussion about all of this, it seems to me it is time for the Senate to vote.

I remind my colleagues that I had a very similar kind of an amendment on the floor of the Senate. It was defeated twice. The third time it was passed by this body. This was an amendment which said ''We go on record that we will take no action, that we create more hunger or homelessness among children in America.''

So today we can through our vote provide some assurance to people throughout Minnesota and throughout the land that children do come first. Children and their mothers and fathers do come first. Families do come first. That we will not target the most vulnerable citizens. That there will be some standard of fairness. That we will make sure that our actions do not increase the number of hungry children, and do not increase the number of children who go without health care coverage.

We can do that, Mr. President through this amendment. I will read the amendment and then I will make a request. The amendment reads as follows:

> In the event provisions of the fiscal year 1996 budget reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of fiscal year 1996, the Congress shall revisit the provisions of said bill which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

That is very reasonable.

Mr. President, I am aware that the parliamentary situation is such that I will only be able to get a vote on my amendment if I move to table my own amendment. I will soon do so and urge my colleagues to vote against my motion to table. In that way, the Senate will go on record with respect to the provisions of my amendment.

Mr. President, I do not want to take up more time because we have a lot of business but I believe in my heart and soul that there could be no more important focus than children in this country, and especially vulnerable children.

Mr. President, I am a father of three children: 30, 26, and 23. I am a grandfather, three grandchildren: Ages 4, 1, and 2 weeks. I am not so concerned about my children or my grandchildren with this amendment. I am concerned about a lot of other children. I am concerned about a lot of children who right now in the United States of America live in some brutal economic circumstances. I am concerned about a lot of children in America who right now are in a very fragile situation. I am concerned about a lot of children in America who do not believe that they truly will have an opportunity to be all that they can be. I am concerned about a lot of children in America who grow up in families where there is tremendous tension, where there are parents without jobs, where people struggle economically and where there is tremendous violence in their lives.

I have all of those concerns. Mr. President, for that reason, I do not want us to take any action that could increase the number of hungry children or those that would go without adequate health care.

I move to table my 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.

The PRESIDING OFFICER. The question is now on the motion to lay on the table amendment No. 2944.

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 New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 497 Leg.]

YEAS—53

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

NAYS—45

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

NOT VOTING—1

Bradley

So the motion to lay on the table the amendment (No. 2944) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2943, AS MODIFIED

Mr. SANTORUM. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the bill, add the following new paragraph:

SEC. . SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(a) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99–0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was ''using the independent numbers of the Congressional Budget Office'' because ''the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.''

(6) President Clinton further stated: ''Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them.''

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in ''non-health entitlements by 2002 by reforming welfare, farm and other programs.''

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact the President's budget as revised on June 13, 1995.

AMENDMENT NO. 2945 TO AMENDMENT NO. 2943, AS MODIFIED

(Purpose: To express the sense of the Senate regarding the President's revised federal budget proposal)

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. FORD. Is it appropriate to have the modification read before we get the tree filled?

The PRESIDING OFFICER. It is not required that the modification be read.

Mr. FORD. I understand that. I ask unanimous consent the modification be read.

Mr. HATCH. Mr. President, could we do that after I——

Mr. FORD. Mr. President, I want it read before we fill the tree.

The PRESIDING OFFICER. Is the Senator aware that a second-degree amendment has been sent to the desk? And the regular order is for the clerk to report the amendment.

Mr. FORD. Mr. President, I withdraw my request.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 2945 to amendment No. 2943, as modified.

Mr. SANTORUM. 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:

In the pending amendment, strike all after the first word and insert in lieu thereof the following:

SEC. . SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(a) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99–0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was ''using the independent numbers of the Congressional Budget Office'' because ''the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.''

(6) President Clinton further stated: ''Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them.''

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in ''non-health entitlements by 2002 by reforming welfare, farm and other programs.''

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(13) President Clinton stated on October 17, 1995, that, ''Probably there are people . . . still mad at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact President Clinton's budget as revised on June 13, 1995.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair.

Mr. President, we are now back to the original subject at hand before the Wellstone amendment, which is a sense of the Senate which says the Senate should adopt the President's second budget, his budget which he proclaims balances the budget over a 10-year period of time.

I wanted to show in graphic terms what the President's balanced budget does. The red line is what the Congressional Budget Office says are the deficit projections for the President's balanced budget. You see over the next 7 years the President's budget, unlike the Republican budget here in the Senate that will be up tomorrow. You see the difference between what we are debating here today and will be debating the rest of the week is a vision, a vision of fiscal responsibility for this country. If you are to believe the President, what the President wants to do, he does not want to get to a balanced budget in 7 years or 10 years or any other time after that.

You can see what the Congressional Budget Office says is the annual projected deficit for the President's budget. It is about $200 billion, give or take, over the next 7 years. And by the way, this line continues out for several years to come. In the reconciliation package we are going to debate tomorrow, we take the budget deficit from here and take it down to zero—in fact, a slight surplus in the year 2002.

This right here is the credibility gap, the gap between what the President says he wants to do, which is balance the budget, to where the President really is in 7 years, which is at a $200 billion plus deficit. That is a $200 billion credibility gap that the President is trying to pull over on the American public. And somehow or another, a $200 billion deficit qualifies as a balanced budget. I do not think in anybody's book a $200 billion deficit qualifies as a balanced budget.

So what we have been having today is a discussion on the President's budget and our budget and the differences between the two, and hopefully we will have a vote later today on whether we will adopt the President's budget, whether this body wants to go in the direction of red ink as far as the eye can see, of reductions—remember, the President calls for hundreds of billions of dollars in reductions in spending, and even with all those reductions in spending he still has $200 billion in deficit because he does not do enough. He does not make the changes that are necessary to get this budget in order.

Remember, just 3 years ago the Governor of Arkansas campaigned across America about change, change, change, change. How many times have you heard during the campaign of 1992 the word ''change''? How many times have you heard over the past year the word ''change''? Not very much. What you heard is there is too much change, according to the President. There is too much disruption. There is too much. ''Oh, we cannot do that.'' He has all of a sudden come from being the President of change to the President of the status quo. And my fellow colleagues, this is the status quo, this is continued deficits for as far as the eye can see. That is not change. That is not pro-family. It is not pro-family America; it is not pro-growth; it is not pro-anything except pro-deficits and pro-decline.

We have an opportunity to reject the status quo here in a few minutes and start tomorrow on a fresh, new change in America's future, a balanced budget that we will get to later today.

Mr. KYL. Will the Senator from Pennsylvania yield for a couple of questions?

Mr. SANTORUM. I would be glad to.

Mr. KYL. The Senator from Pennsylvania is talking about the President's budget. Has anybody on the minority side offered the President's budget for a vote here?

Mr. SANTORUM. The Senator from Arizona asks a very relevant question, because on Friday morning I took the floor and put forth this resolution, and laid it on the desk down here and said, ''If anyone on the other side wishes to take up the President's budget and argue for his budget, it is there. The sense of the Senate to approve the President's budget is there, if anybody wants to offer it on the other side of the aisle, to defend what the President wants to do, to talk about how he gets to balance, what his numbers are he used, what his assumptions are he uses, to speak on behalf of the President, to defend your President. Who?''

And I do not know if the Senator from Arizona knows this, but the Democratic National Committee is running TV spots all over the country, saying, ''There are values, there are values behind the President's balanced budget plan.'' Now you have the Democratic National Committee running around the country with TV ads proclaiming that this budget is a balanced budget, and yet you cannot find one Member of the U.S. Senate on the other side of the aisle defending it, to defend what the President has done in reaching his balance. I wonder why that is.

Mr. KYL. Would the Senator from Pennsylvania yield for another question.

Mr. SANTORUM. Of course.

Mr. KYL. Just so we have this all right now, the Senator from Pennsylvania is offering up the President's budget just to see who is willing to support it. There has not been a Member of his party willing to offer it.

Mr. SANTORUM. If I could interrupt the Senator from Arizona.

Not only have they been unwilling to offer it, but during the time we have had the opportunity to debate this past Friday and here again today, not one Member of the other side of the aisle has even risen to defend it, much less offer it, to even question any of the arguments that we have put forward on this subject.

Mr. KYL. Perhaps we can go back in time.

Did we not vote on the President's budget earlier this year? As I recall, the Senate is on record as opposing the first President's budget 99–0.

Could the Senator from Pennsylvania enlighten us further on that?

Mr. SANTORUM. That is correct. Earlier this year we had the opportunity to debate and discuss the President's budget. And I am not too sure how many Members on the Democratic side of the aisle defended it. I am not too sure very many did. There were admissions that the President's budget did not go very far. But I will give the President credit for this on his first budget: On his first budget he did not claim he balanced the budget. He admitted that he had $250 billion-plus deficits as far as the eye can see. He admitted it was a bad budget.

What he has come back with is a ruse. You know, he and his buddy, Rosy, Rosy Scenario, have gotten together to come up with a budget by underestimating what the interest rates will be and overestimating growth. He and Rosy have figured out a way to balance this budget. Well, unfortunately, Rosy does not cut it. We need real reforms. People are looking for real changes, the changes that he campaigned on in 1992 that he is not delivering with these budgets.

Mr. President, I——

Mr. KYL. Excuse me, if the Senator would further yield. We have been having a conversation about this. It seems that there is one other little problem, that is, in actuality there is a second President's budget in the same sense that he offered the budget earlier in the year; and the Republicans, through the Budget Committee, and the House and the Senate, have actually produced a full budget, funding each of the departments of the U.S. Congress, as well as developing all the revenues necessary for doing that.

Actually, is it not the case that what the President is talking about now as his balanced budget is really a concept only, that, A, is not a full budget, B, will not be offered by anyone in his party, C, does not ever get into balance insofar as the Congressional Budget Office estimates are concerned, and, therefore, really the only thing that we do have to vote on later on this week is the Republican budget combined with the other features of what we call the reconciliation bill here?

Mr. SANTORUM. The Senator from Arizona again is exactly correct. What the President has trumpeted across this land and the Democratic National Committee has begun to run ads suggesting, is that the President has a balanced budget. No, he does not. He does not have any specifics.

In fact, the entire package the President submitted back in June of this year was some 10 pages, 10 pages of broad outlines as to how you would accomplish it; no specifics, no itemized reductions, no specific plans on how to reform Medicare, no specific plans on how to reform Medicaid, no specific plans on how he is going to adopt his tax cuts, no specific plans on how he is going to increase education spending, which he says he wants to do. All of it is sort of vague, general numbers without the kind of detail that we are forced, and should be required, frankly, to produce here in a budget reconciliation package.

We have come forward with the specifics. And, as you know, when you put forward specifics, you have a lot more to shoot at. In fact, I think the reconciliation package is a pretty sizable document, a pretty voluminous measure. And so I am sure within these documents you have a lot to shoot at. When you have 10 or 15 pages of broad generalizations, you do not have much to sink your teeth into.

So the President has been able to run around and talk about a balanced budget, which he has never really produced in detail, No. 1, and, No. 2, does not balance, and then proceeds to take shots at a very well thought out, detailed description by the Republicans in the House and the Senate as to how we are going to get to the budget. It is a pretty neat place to be. You are sitting there taking potshots at folks without having to deliver leadership.

Unfortunately, we have a President who does not think he has to lead, thinks he can sit back here and take potshots at what others trying to solve the problem want to do.

Mr. KYL. Will the Senator yield for another question? I hate to ask all these other questions about the President's budget.

Mr. SANTORUM. I do not see anyone else seeking time.

Mr. KYL. The President talked about his companion, Rosy, Rosy Scenario. I recall when the President first spoke to the Congress, he talked very firmly about the need for us to work together, using a common set of assumptions. And he pointed out that, of course, that common set of assumptions came from using the numbers, the credible numbers, the objective, bipartisan numbers of the Congressional Budget Office, to analyze how much Government would actually cost and how much the revenue would actually be for the various kinds of taxation that we have in the country, and that instead of the President using the OMB, which is what he accused past administrations of using, and the Congress using the CBO, or the Congressional Budget Office, we ought to both agree that the CBO had it right. They had it figured out; they used the right assumptions; and we ought to use the CBO numbers.

Now, I would ask the Senator from Pennsylvania, which numbers did the President use? And did that have an effect on the assumptions inherent in his so-called budget?

Mr. SANTORUM. As the Senator from Arizona knows very well, the President broke his promise. He broke his promise that he made to the Congress in 1993 when he came to the joint session of Congress in his first speech before the Congress, and he stood up and said that we will use a common set of numbers, we will use the Congressional Budget Office numbers so we are working with the same numbers, so there are not going to be any games on wishing away the problems.

He offered this budget using OMB numbers, the Office of Management and Budget within the White House, not the Congressional Budget Office up here on the Hill that we are bound to use.

The Congressional Budget Office is more conservative. They have more pessimistic assumptions. And if you look at the history of budgets and the projections of balancing, I am sure there are a lot of folks who are listening here who remember Congress after Congress saying, ''We'll balance the budget in a few years; we'll get to it; we'll get to it,'' and projecting rosy scenarios out of the White House.

The fact of the matter is, we want to take a conservative approach, and if we are wrong, what is the downside if we are wrong? We end up with a surplus, such a horrible thing to have. If the Office of Management and Budget is wrong and their projections are too rosy, what happens? We end up with a pretty good size deficit, that is the problem.

So I suggest it is better to err and be cautious, as we are here in the Congressional Budget Office using these numbers, than it is to go out and wish away the problem like the President has done.

Mr. KYL. Will the Senator yield for another question? I was just handed this statement and wonder if the Senator is aware of it.

June O'Neill is the Director of the Congressional Budget Office, and she testified in August, and I am quoting now that ''the deficits under the President's July budget would probably remain near $200 billion through the year 2005.''

The July budget is the budget the Senator from Pennsylvania is talking about and referring to in his chart here.

So the red line that the Senator from Pennsylvania has demonstrated on his chart, compared to the line of zero down below, does that represent what June O'Neill, Director of CBO, says is the budget deficit remaining near $200 billion through the year 2005 under the President's figures?

Mr. SANTORUM. That is correct, and that is why this amendment is here. If the President was not out running around saying that he has a balanced budget and he has a budget plan and the Democratic National Committee—by the way, this Democratic National Committee spot was not 3 months ago, 4 months ago, it was this weekend—this weekend. In the face of this, in the face of the knowledge that the Congressional Budget Office says this plan does not balance, does not deter the Democratic National Committee from running around lying to the American public that it does balance, and it does not.

You have the Democratic leader who, after the President introduced his second budget that said balanced, when the Congressional Budget Office came out and said it did not, the Democratic leader said the President should use CBO numbers.

Now you have the Democratic leader criticizing the President saying, ''Use the right numbers, don't cook the numbers.'' And yet the Democratic National Committee, in the middle of this Titanic struggle to balance the budget, is going out there trying to fool the American public, suggesting the President has a balanced budget plan.

Mr. FORD. Will the Senator from Pennsylvania yield for a question?

Mr. SANTORUM. I will be happy to yield for a question.

Mr. FORD. The two Senators over there are just talking to each other. I do have a germane amendment, which yours is not, to this bill. I have discussed it with the floor manager of the legislation. I would like to get on. If you want a vote, let us have a vote. You can even move to table your amendment. I just would like to get on to other things, because we have been through this rosy scenario, and we are very acquainted with ''Rosy'' because you have introduced her to us.

Mr. HATCH. Will the Senator yield?

Mr. SANTORUM. Rosy is not unique among Democrats and Republicans in the White House. She has been a constant partner of Presidents for a long time. The unfortunate part is this is the first time that a Congress has come forward with a true balanced budget without Rosy, and what we are doing is very serious business and what the President——

Mr. FORD. If the——

Mr. SANTORUM. Let me finish my statement. When the President is out there using Rosy to cover up what is a truly deficient budget that does not balance in the face of the tough decisions that this Congress is making now, it raises that specter of deceit that has been going on with Presidents for a long, long time to a new level. That is why this amendment is on the floor.

Mr. FORD. Mr. President, will the Senator yield again?

Mr. SANTORUM. I yield for a question.

Mr. FORD. Did the Senator hear the former chairman of the Budget Committee this morning when he said your budget, by CBO figures, was $108 billion or $105 billion short in 2002?

So you are standing up here telling us that you are balancing the budget and you have the direct opposite view from that of the former chairman of the Budget Committee, and he got his information from CBO.

Mr. SANTORUM. If I can reclaim my time, I am sure the Senator from New Mexico will present the letter from the Congressional Budget Office Director which certifies the budget does balance in 7 years. I do not know where the Senator from South Carolina got his information.

Mr. FORD. He did not get it out of his own office, he got it out of CBO.

Mr. SANTORUM. I reclaim my time, and I encourage that we defeat this amendment. I will be happy to take an up-or-down vote. If the Senator from Kentucky will allow an up-or-down vote, we can do that. If the Senator requires me to table, I will be happy to do that.

Mr. HATCH. Will the Senator yield?

Mr. SANTORUM. I will be happy to yield.

Mr. HATCH. If I can make a suggestion, I suggest we have a vote up or down on the Senator's amendment. I intend to support him. I think we should do that right now.

I notice the distinguished Senator from Iowa is ready to speak on the underlying bill. The distinguished Senator from Kentucky, the minority whip, has an amendment he would like to bring up. So I am prepared to go to a vote if we can.

Several Senators addressed the Chair.

Mr. KYL. Mr. President, I rise in opposition to the amendment and the budget that President Clinton has submitted.

The President says he supports a balanced budget and that he has submitted a balanced budget to the Congress for consideration, but the agency he praised as the best authority on budget numbers, the CBO, says otherwise. June O'Neill, the Director of CBO, testified in August that ''the deficits under the President's July budget would probably remain near $200 billion through 2005.''

So, the President's budget does not balance. Not in 7 years, 8 years, 9, or 10 years. It doesn't balance.

The President claims the Congress is cutting Medicare to pay for tax cuts for the rich. We all know that's not true either, just as we know the President didn't propose to cut Medicare when he proposed tax cuts in his revised budget.

CBO estimates that the President's revised budget would reduce the growth in Medicare by $105 billion by 2005. The President's numbers put net Medicare savings at $124 billion. So, President Clinton finds savings in Medicare as well.

His budget also proposes tax cuts that would cut the growth of tax revenues by $166 billion by 2005. The President's tax cuts are more than offset by Medicare spending cuts. Yet we all know that cuts have nothing to do with Medicare. Whether we raise taxes, lower taxes or leave taxes the same, the fact is that Medicare will go bankrupt unless spending growth is slowed and the program is reformed.

Last week, the President said that he could support a balanced budget in 7 years, just as we are proposing. We should vote down this budget today and give the President another chance to produce a budget that CBO will certify gets us to balance. We want to work with the President, but we don't want—and we shouldn't—go back on the promise we made to the American people to balance the budget by the year 2002.

Let us vote down this budget today and consider an alternative that keeps the promises we have made. Let us balance the budget and give tax relief to hard-working American families.

Mr. President, I think it is time for us to have a vote, and I simply would like to frame what the vote is, in about 30 seconds here.

The Senator from Pennsylvania has offered the President's budget. We are going to be voting later this week on the Republican budget. Members will have an opportunity to decide: Do they want a budget that, according to June O'Neill, the Director of the Congressional Budget Office, shows deficits of $200 billion through the year 2005, or do they want a balanced budget offered by the Republicans which will be voted on later this week?

I suggest that we have the vote, that it be up or down, and that we defeat the budget that has been offered by the Senator from Pennsylvania, since none of the Members of the Democratic Party were willing to offer the President's budget.

Mr. HATCH. Mr. President, I also suggest we have this vote up or down, and I agree this amendment should be defeated. We should not be voting for the President's budget, which has $200 billion in deficits, ad infinitum. It is not realistic about getting spending under control, and I think, once and for all, that we can vote on this issue.

Mr. SANTORUM. Mr. President, one additional comment. The Senator from Kentucky and I just had a conversation. I want to give the Senator from Kentucky and the Democrats credit for not defending the President's budget. He is absolutely right, he is not defending the President's budget because the President is not using the right numbers, so I give credit to the other side for not standing up and defending this budget. I think they are showing character in not doing so. I think, hopefully, that is a message that will be sent to 1600 Pennsylvania Avenue.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we do have a bill before us, a very important bill. We have been talking about amendments to that bill that are unrelated to the underlying bill. I am going to speak about the underlying bill. I want to tell people who are watching that this sometimes happens in the U.S. Senate; that you get a relatively noncontroversial bill before the Senate, and then people want to offer amendments. I do not have any fault with either the process, or I do not have any fault with the amendment on which we are going to be voting. In fact, I cheer what the Senator from Pennsylvania is doing. But I do want to state my view on this underlying bill which creates and extends some temporary judgeships, and then I also want to make a statement on how we arrive at the number of judgeships we ought to have and the necessity for a review of that process.

As far as the underlying bill is concerned, Mr. President, I want to clearly state that I support the bill, even though I am going to raise some questions about the process, even though I might raise a question about one of the judges that is being temporarily extended, the creation of which is being temporarily extended.

I want to state for the record that there is at least one of these positions that is being extended, some questions from judges who operate in this judicial district as to whether or not it even ought to be extended.

I want to say at the outset that the Sixth Circuit Judicial Council has asked that one of the temporary judgeships not be renewed. The letter I have from Mr. Wiggins, circuit executive for the sixth district, who speaks about the temporary judgeship for the western district of Michigan, says at a

meeting of the Sixth Circuit Judicial Council held on May 4, 1994: The council approved the request of the western district of Michigan that no action be taken to extend the temporary judgeship for the western district of Michigan.

With this bill, we are extending then some judgeships which judges themselves have raised questions about whether or not they are needed, whether or not they even want them.

It is, of course, this sort of mindset that has caused me to look very closely at the spending habits and the allocation of judges in the Federal judiciary.

Congress has made difficult budget choices, as you know, this year—in fact, the next 3 days—on what we call the reconciliation process. We are going to be voting on these particular tough decisions that we have to make to get us to a balanced budget. In that process, we in the Congress have downsized our own staffs, the staffs of our committees. We have downsized in the executive branch, as well.

I believe it is time that we look at the downsizing of the Federal judiciary. That is why I have begun a series of hearings on the proper allocation of Federal judges. As some in this body know, last week I chaired a hearing before the Court Subcommittee that I chair on the appropriate number of judges for the U.S. Court of Appeals for the D.C. Circuit.

That hearing addressed an issue which this body has not considered since the 19th century—the process of eliminating judgeships. The last time we eliminated a judgeship as a Congress was in 1868 when there were 10 members of the Supreme Court temporarily because of what President Lincoln wanted to do. It was reduced by one judgeship. That is the last time I have been told that is the case.

Here we are looking at whether or not we need 12 judges on the circuit for Washington, DC. The caseload of the Washington, D.C. circuit has actually declined slightly over the past few years. The number of agency cases in the D.C. circuit is about the same now as it was in 1983—that was a year before Congress created a 12th judgeship in the D.C. circuit.

It costs a little under $1 million—$800,000, to be exact—when we create and keep filled a circuit court judgeship. By the way, that figure, $800,000, comes from the judicial conference. In other words, that is the official judiciary's estimate. It is not my estimate.

The administration claims despite the declining caseload, despite the expense to the American taxpayers, that 12th seat must be filled. I am not convinced that this is so. Mr. President, $1 million per year, per judgeship is a lot. I do not think it should be spent unwisely.

Mr. President, with respect to the D.C. circuit, the administration basically says that the D.C. circuit is too slow in rendering decisions and that a 12th judge would speed things up. But this is not necessarily so.

I agree with a large number of well-respected Federal judges who have raised serious concerns about the runaway growth of the Federal branch. Some judges, including Judge Silberman on the D.C. circuit and Judge Wilkinson of the First Circuit Court of Appeals, have raised serious objections to an excessively large Federal judiciary. These circuit judges have concluded, based on the experience of the ninth circuit, that courts of appeal which are too large actually decrease the quality of judicial decisionmaking and increase the possibility of a conflicting panel decision which must be reconciled through full court rehearings.

At my hearing that I held last week in my subcommittee, Judge Silberman testified that 12 judges is just too many for the D.C. circuit. In those very brief periods when the D.C. circuit has actually had 12 judges—and that was just for a brief period of time, quite frankly, Mr. President, between 1984 and now, when it was created, I think a period of not more than 18 months—there just was not enough work to go around. That is what Judge Silberman said.

I ask unanimous consent that an article from a newspaper about the hearing I recently chaired which appears in the paper be printed in the RECORD at the end of my remarks. Furthermore, I ask unanimous consent to have printed the letter I read from the sixth judicial council.

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

(See exhibits 1 and 2.)

Mr. GRASSLEY. Furthermore, when there are too many judges—and I go back to what Judge Silberman is saying and what Judge Wilkinson is saying—there are too many opportunities for Federal intervention.

We should not forget, just as Government regulatory agencies swelled in number and size since President Roosevelt and President Johnson set America on a path to big Government and Government control of the economy, the Federal courts have also increased in size. The size of the Federal judiciary is an indicator, in the view of many people, including myself, of the degree of unnecessary Federal intervention in State and local affairs.

To some degree, I must admit, this is our fault. Whenever we in the Congress try to create a Federal solution to a State and local problem, we give the Federal judiciary more work to do. So we have to, of course, shoulder some blame for this, and it would not take a lot of research that every Senator, including this one, has done some things, promoted some legislation to increase the workloads of the Federal judiciary.

Is that right? No, it is not right. It is a fact. We have an opportunity now to review some of this. We have a bill before the Senate that extends temporary judgeships that were created 5 years ago for another short period of time, to get us over a hurdle.

We are going do that, obviously, but it calls for the consideration of how we do this, how often we do it, and whether we do it in too willy-nilly of a fashion.

Like most of my colleagues on this side of the aisle, I do not necessarily support Federal solutions to local problems. With the Republican victory last November, I am confident that some common sense will be restored to the way that we do business up here in Washington.

Mr. President, all of what I have described is expensive. When we ask for more Government, more committees, more employees on the Hill, more bureaucrats downtown, and even more judges, it is all very expensive. So it is time we in Congress step up to the plate on the issue of the Federal judiciary and its size and we make some tough budgetary choices.

I yield the floor.

EXHIBIT 1

WHEN IT COMES TO JUDGES, MANY SAY LESS IS MORE

(By Frank J. Murray)

The U.S. Senate may be about to abolish an appeals court judgeship because there's not enough work to justify the job.

This has happened only once before, in 1868, when Congress cut the U.S. Supreme Court from 10 justices to nine.

But the mood to cut judgeships is growing.

At issue is whether to cut the 12-judge U.S. Court of Appeals for the D.C. Circuit, the nation's second most important court. Three of the nine current Supreme Court justices were elevated from that court.

Yesterday, Judge Randall R. Rader of the Federal Circuit told The Washington Times that 12-judge appeals court also could be better off if its current vacant slot were abolished.

''I think circuit courts work better in smaller numbers. I think that the Federal Circuit would work as well with 11 [judges], perhaps more efficiently,'' Judge Rader said.

In the Eastern District of Louisiana, Chief Judge Morey L. Sear is asking the Senate not to fill two vacancies on the U.S. District Court bench.

And Judge Laurence H. Silberman of the D.C. Circuit advocates cutting one judge from that court.

Sen. Charles E. Grassley, Iowa Republican and chairman of the Senate Judiciary oversight subcommittee, says he has found support for reducing the number of judges on the D.C. Circuit and elsewhere during soundings of sentiment among appeals judges nationwide.

Chief Circuit Judge Harry T. Edwards, who opposes the reduction, acknowledges that Judge Silberman speaks for a significant faction of the court, although its 11 judges have taken no vote.

Chief Judge Edwards says any decision not to leave the question to the U.S. Judicial Conference could suggest ''some agenda that has nothing to do with the quality of justice.''

In opening a committee hearing last week, Mr. Grassley said his choices fall between filling the vacancy and cutting the bench by as many as three positions.

Each circuit judgeship costs about $800,000 a year, including salaries for a support staff of five. Such judgeships must be eliminated when vacant because the Constitution guarantees incumbent judges the jobs and their salary levels for life.

''We think the [D.C. Circuit] seat should be filled,'' says White House spokeswoman

Ginny Terzano. ''It's not a political issue. It's a question of whether this seat should exist or not, and the administration thinks it should.''

In separate interviews, Judges Edwards and Silberman says they respect each other's opinions on an issue laden with political overtones.

''If the question to me is, are we better off with 12 judges—do we serve the public better and do our jobs better?—my answer is yes,'' Judge Edwards says. But he concedes he can't effectively challenge those who rely on a formula allotting the circuit just 9½ judges because of declining workload.

''I can't say there's any magic number and produce that number to prove the point,'' Chief Judge Edwards says. ''I admitted it is a difficult assessment in those terms.'' Although the number of cases accepted for review fell over a 10-year period, the backlog of 2,000 is up 70 percent.

''I do think the 12 judges is excessive and therefore a diversion of judicial resources,'' Judge Silberman told the Judiciary Committee. He says 11 is the right number and nine is too few.

The resolution of the dispute could determine whether Mr. Clinton eventually undoes what Ronald Reagan wrought. The D.C. Circuit has five Reagan nominees, two Bush appointees, two Clinton nominees and two Carter appointees—including Chief Judge Edwards. Judge Silberman was appointed by President Reagan.

''I am in favor of the abolition of the 12th judgeship no matter who is president or who controls the Senate. We simply do not need a 12th judgeship, and there is a cost in the quality of our decisionmaking,'' Judge Silberman says. He says he expressed this view privately months before Mr. Garland's nomination and wrote a Sept. 26 letter spelling out his position at Mr. Grassley's invitation.

''The fact that I am in some measure of disagreement with the chief judge on this issue has not affected my enormous respect and affection for him,'' Judge Silberman says. Says Chief Judge Edwards: ''Everyone else who's testified has supported the 12th judge. I don't care to say anything on that. Our relationship is good. I'll leave it that way.''

EXHIBIT 2

U.S. COURT OF APPEALS
FOR THE SIXTH CIRCUIT,
Cincinnati, OH, May 5, 1994.

Re temporary judgeship in Western District of Michigan.

DAVID L. COOK,
Chief, Statistics Division Administrative Office of the U.S. Courts, Federal Judiciary Building, Washington, DC.

DEAR MR. COOK: At a meeting of the Sixth Circuit Judicial Council held on May 4, 1994, the Council approved the request of the Western District of Michigan that no action be taken to extend the temporary judgeship for the Western District of Michigan.

Sincerely,

JAMES A. WIGGINS,
Circuit Executive.

Mr. MACK. Mr. President, I rise to support the effort that the Senator from Pennsylvania has put to the Senate but would encourage my colleagues to vote against the resolution.

The resolution calls for the adoption, as I understand it, of the President's budget as submitted June 13 of this year. When the vote is called, I hope that my colleagues would vote against the resolution.

Again, I want to support the effort that the Senator from Pennsylvania is making. What he is really giving us is an opportunity to discuss—and I suspect maybe some do not want to discuss it—the President's budget, because there is the impression that has been created that with this proposal that the President made in June, that there is an alternative to what Republicans have proposed.

In the next few days we will be voting on the reconciliation package. That, combined with other actions of the Senate—the appropriations bill, the passage of the budget resolution earlier this year—will lead us to a balanced budget, according to CBO.

There is a proposal, again, that will come to the floor of the Senate tomorrow, and we should have a vote on final passage before we conclude our work this week, that will, in fact, over a period of 7 years, balance the budget. If my memory is correct, that will be the first time that the budget will have been balanced since 1969.

I again want to take the opportunity here to talk about the President's budget, but I cannot help but think that there are times maybe for a little levity.

Over the weekend, through some clandestine activity, we were able to come up with an instrument that allows us to understand how the President comes to conclusions about certain tax policies.

This instrument is the key. This is spun, apparently, and where it stops is an indication of what the President's policy with respect to taxes should be.

Again, just to quote some of the various options here that the President has to pick from, in January 1992 the President said, ''I want to make it very clear that this middle-class tax cut is central * * *'' to what he is trying to accomplish. Then, in March 1992, just a few months later, I am quoting the President again, he says, ''but to say that this middle-class tax is the center of anybody's economic package is just wrong.''

Then, on June 8, the President went on to say, ''I would emphasize to you that the press and my opponents always made more of the middle-class tax cut than I did.'' We all are familiar with the President's comments with respect to taxes raised in 1993. He has been quoted rather extensively, I think, now, over the last week or so, in essence admitting that he went too far in raising taxes.

What is ironic about that, in the same breath he really said it was not his fault, that the Congress—the fact that he had to work within the Democratic Party—he was forced to raise taxes and he now admits it was a mistake and in essence he apologized for having raised those taxes.

Interestingly enough, you could use this instrument for just about any policy decisions in the White House that you wanted. You could take the issue of budget resolutions. If you go to candidate Clinton in 1992, I believe he said on the ''Larry King Show'' that he believed that a budget could be balanced in a 5-year period.

Then, the first budget that the President submitted to the Congress did not call for a balanced budget at all. That was in 1993, even after raising taxes to the point I think many have said was the largest single tax increase in the history of the country. Certainly a large one. So here we are in the President's first year, presenting to the Congress a budget that in fact does not call for balance.

Then, earlier this year the President proposed to the Congress his budget for fiscal year 1996. Interestingly enough, there was no effort to balance the budget in that particular proposal. In fact, I think this is the one that was voted on. It was voted down 99 to zero. There was no support whatsoever in the Senate for the President's first proposal this year. That called for balancing the budget in a 10-year period. When it was reestimated by CBO, it was indicated we would see deficits out, well, forever—of $200 billion-plus per year.

The President has been quoted, too, as saying he now favors a program that would balance the budget in 7 years—at least that was the implication. I should be careful about that. That was the implication—that the President in fact supported the concept of balancing the budget in 7 years.

So I thought it was an interesting find over the weekend to have found this instrument that really has turned out to be the key to the President's policy decisionmaking process. That has been, I think, very helpful.

Also, since we have the opportunity to talk about the President's budget, it has been some time since we have had an opportunity to focus on this. The Joint Economic Committee, as the Chair recognizes, held a hearing to review the President's supposed balanced budget proposal over 10 years. Mind you, over 10 years. He claimed to have balanced the budget in 10 years.

This chart indicates, again according to CBO, what would be necessary in order to balance the budget over a 7-year period. We would have to reduce Federal expenditures, that is the anticipated Federal expenditures, over that 7-year period by $1.257 trillion. In fact, that is the proposal that the Republicans have put before the Senate, both as a budget resolution and now the combination of appropriations bills and reconciliation bill. So we are going to meet this goal.

The President's proposal does not come anywhere near that. As you begin to review—not my analysis of the President's budget, but the Congressional Budget Office's analysis of the President's budget—and you might be asking yourself why does the Senator keep referring to the Congressional Budget Office, known as CBO?

The reason I do is because I remember, I think as most of the Members of the Senate do, that in January 1993, when we were all assembled at a joint

session of the Congress to hear the President's State of the Union Message, he really challenged the Congress. Maybe that is really not the way to say it. I think what he was saying to the Congress is he recognized in the past, that previous administrations and previous Congresses, frankly, had used smoke and mirrors to put budget resolutions together. When things got tough and tough decisions were going to have to be made, the Congress somehow or another decided they would accept rosier economic assumptions. Because by accepting rosier economic assumptions, fewer cuts had to be made.

This is what the President said, back in January 1993. He said that he would use ''the independent numbers of the Congressional Budget Office, so we could argue about priorities with the same set of numbers. I did this so no one could say I was estimating my way out of this difficulty.''

Guess what, here is another flip-flop. If I had that other chart back up maybe we could spin the wheel one more time and see if the President would conclude he should respond to this kind of question. The President has decided not to use the Congressional Budget Office numbers. He has decided to use OMB. As a result of using OMB, guess what, they are using rosier economic assumptions—economic assumptions about the level of economic growth; economic assumptions about interest rates; economic assumptions about inflation and so forth.

The end result was that the President has, in fact, estimated his way out of the problem. This portion of the reduction does in fact come about as a result of changing economic assumptions and using lower interest rates, assuming there will be lower interest rates in the future.

I say to my colleagues as we have an opportunity to both vote on this resolution and on reconciliation, it is obvious. It does not get to zero. Over half of the deficit reduction the President has proposed comes from estimating his way out of the problem, using higher growth numbers, lower interest rates, and so forth. That program just will not do it. This is exactly what created the problem we are in today. It is because, in the past, every administration and every Congress decided to blink.

All I am saying is you cannot get there with the plan the President has proposed and that is why I encourage Members to vote against the resolution that is on the floor.

Sometimes people get lost with charts in this discussion of economics and statistics and numbers. If you think about it, in essence what CBO has said is that deficits are growing at this rate. This line represents the deficits out in the future if we do not do anything. Here is what we would have to do—that is this line here represents zero. We have to get rid of this gap. We have to fill that gap, rather, in order to solve the deficit problem.

The President has figured he will address the problem with over half of that gap being filled by phony economic assumptions. That has happened year after year after year. That is why we have seen the debt build up year after year.

Mr. President, I want to address maybe two other areas related to this. The first is, what does this mean to individuals? What is important about doing this? Clearly one could make the economic argument that this is important because it is going to get us to a balanced budget. Plenty of other people have made those arguments and I have heard my colleagues on the other side of the floor refer to what our proposal might do to people in the country.

I ask them to think about what is going to happen to those individuals if we do not do something. Take Medicare, briefly. What if we do not act on Medicare? How are they going to answer the people 7 years from now when there is no money in the trust fund to make those benefit payments? What are they going to say to their moms, dads, and grandparents? What are they going to say to those individuals who are suffering from all types of diseases that come as a result of aging? Are they just going to say we did not have the courage back in 1995 to solve the problem; we felt it would be better to do whatever Congress has done before that? That is, flinch; fuzzy up the issue; change the economic assumptions; avoid the tough decisions? That is what they are saying.

Oh, they will not admit that. But that is exactly what they are saying. What about those people, those young families in America where mom and dad get up at 4:30, 5 o'clock in the morning and commute to work, and by the time they get back home in the evening it is already dark? They feel, and I think accurately so, that the Federal Government is sucking money away from them to pay for programs that have been proven to fail. It would be another thing if, in fact, programs were working. But almost everyone in America today understands that they have failed.

They have failed, and it is fundamentally wrong to say to those hard-working men and women of this Nation trying to raise their families, trying to provide the necessary dollars for education, for food, for health care, and so forth, ''Oh, no. We are going to take more of your money away from you and we are going to give it to those guys in Washington, DC, to continue to spend on programs that have proven to be a failure.''

What about the young couple where the father works all week, in fact has two jobs? He comes home for the weekend, and he takes care of the children, and his wife works for the weekend to make just a little bit more money so they can make ends meet. What about them? What about those individuals that we have been taking money away from to transfer it to someone else that they feel, frankly, is not worthy of it, because they hear the stories about the programs that have failed.

In fact, that has happened as we have gone from this dream that was created in the early 1960's to the nightmare of the programs that have been developed over the years, and the poverty that people are living in today, and the dependency that people are living in today as a result of those programs.

So I ask my colleagues to think about those men and women who are working hard day-in and day-out. What about them? What about their future? What about their opportunity? They will not have one—not at the level that we have experienced over the years, if we continue the kind of Federal spending and the Federal programs that have been going on for these last 25 years or so.

The last point I would make is I think that the decision we are making here, the decision to reject the President's alternative which does not get us anywhere near a balanced budget and the reconciliation package that we will have an opportunity to vote on in just a few days, I think the opportunity is much greater than the simple reaching of a balanced budget. We have a Nation that for generations and for centuries has been dedicated to the principles of freedom, independence, justice, democracy, human rights, free markets, free enterprise, and capitalism. And I believe that our country is the only one in the world today that has the interest or the concern or the desire to see that those principles are exported around the world. But if we do not get our fiscal house in order, we will not have an opportunity to do that. America will not be the center of influence in the 21st century, and America will not have the opportunity to expand and pursue those ideas around the world.

So this is much larger than just this simple debate today about whether we are going to support the President's plan or whether we are going to support our plan. We are talking about America's future.

The President has failed to provide us with leadership. He has failed to provide us with a plan and, therefore, he has failed to provide us with an alternative. There is no choice. Reject this resolution that has been proposed, and in a few days vote for the reconciliation package.

I yield the floor.

Mr. HATCH. Mr. President, I suggest that we are prepared to vote.

The PRESIDING OFFICER (Mr. CAMPBELL). Is there further debate?

Mr. FORD. Is this is on the second degree?

Mr. HATCH. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered on the second-degree amendment.

If there is no further debate, the question is on agreeing to the amendment of the Senator from Utah. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative 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 New Jersey [Mr. BRADLEY] and the Senator from Ohio [Mr. GLENN] are necessarily absent.

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

The result was announced—yeas 0, nays 96, as follows:

[Rollcall Vote No. 498 Leg.]

NAYS—96

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

NOT VOTING—3

Bradley	Glenn	Kassebaum

So the amendment (No. 2945) was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized.

Mr. SANTORUM. Mr. President, we just witnessed on the Senate floor the President's revised balanced budget getting no votes; his plan to balance the budget over 10 years getting no votes on the U.S. Senate floor, no support on either side of the aisle. Nobody on the other side of the aisle, and rightfully so, I might add, defended his balanced budget.

All I suggest to the Democratic National Committee, which is running a television ad saying that the President has a balanced budget, that it is now, I think, apparent that the President does not have a balanced budget and that nobody believes he has a balanced budget. So quit running ads on national television saying he does have a balanced budget.

There is no support for phony numbers in the U.S. Senate from either side of the aisle, and I commend my colleagues on both sides of the aisle for standing up and sending a very clear message down Pennsylvania Avenue that we are tired of the President running around campaigning and not coming back here to work on a serious balanced budget resolution and reconciliation.

We have the opportunity, as a result of the 1994 elections and the movements in this House and Senate, to pass a balanced budget. No more phony-baloney politics, but real deficit reduction, real balanced budgets.

Mr. President, 0 to 96; 0 to 96, I think that is a pretty clear message to the President and his TV commercial that the Democratic National Committee has out which says—as they read the text, there is an image of the President sitting at his desk working on a balanced budget plan. I suggest that the President actually do go to his desk and actually do start working on a balanced budget plan and not try to pull the wool over the American public's eyes on a budget that does not balance, on a plan that does not do what he is claiming it does.

I am hopeful that the message will be sent to the President and to the Democratic National Committee that these kinds of ruses that are trying to be pulled on the American public have no place in a serious dialog about solving the great fiscal problems of this country.

I want to commend both sides of the aisle for delivering that message loud and clear this afternoon to the President of the United States that his budget is phony, his budget does not work; that he needs to get serious about balancing this budget; that he needs to come to the Hill and sit down and work on a bipartisan basis to solve this problem; and that the campaigning has to end and being President and presiding has to begin today.

We are ready to go. We are going to start tomorrow. We are going to pass a budget. We are going to pass a reconciliation package, and I hope at that time that the President will hear the call, will hear 0 to 96 on his phony plan and come here and get serious about the business at hand.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. DORGAN] is recognized.

Mr. DORGAN. Mr. President, has the Senator from Pennsylvania withdrawn the first-degree amendment that he offered?

The PRESIDING OFFICER. The Senator's first-degree is still pending.

Mr. DORGAN. Mr. President, I am tempted to offer a second-degree amendment. I expected the Senator from Pennsylvania would——

Mr. SANTORUM. If the Senator from North Dakota will yield for an explanation. I intended to withdraw the amendment. The Senator from Mississippi wanted to speak briefly, and then I was going to withdraw the amendment.

Mr. DORGAN. Reclaiming my time, I sought recognition expecting that you would have withdrawn the amendment, but you did not. I am tempted to offer a second-degree amendment, which I was intending to do. But let me just make a comment that the Senator from Pennsylvania has a knack——

Mr. HATCH. Will the Senator yield for just a second?

Mr. DORGAN. I will be happy to yield.

Mr. HATCH. I suggest that the Senator from Pennsylvania withdraw his amendment and that will solve that problem, and then, of course, whatever remarks the distinguished Senator would like to make; is that OK?

Mr. DORGAN. Mr. President, I have the floor. Let me just make my statement.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. DORGAN. The Senator from Pennsylvania has a knack for winning debates that we are not having. This is the third that he has won with this amendment offering President Clinton's budget. I did not vote for that. The Senator from Pennsylvania is correct that the President did not propose a budget that calls for a balanced budget.

I want to ask the Senator from Pennsylvania a question. The Senator from Pennsylvania offered this, I guess, because he wanted to make the point that we must have a balanced budget on the floor of the Senate. And I think in further of that point, he would say the reconciliation bill that he is going to vote for later this week does, in fact, provide a balanced budget.

I ask the Senator from Pennsylvania if he has seen the letter of October 20 from the Director of the Congressional Budget Office, and I will read to the Senator from Pennsylvania the last sentence of the first paragraph. Just to refresh the memory of the Senator from Pennsylvania, he will recall that the majority party brought a big chart to the floor, and it had one of these giant gold seals on it with ribbons and things. It says, ''This certifies that this budget is in balance,'' and it was attached to a letter from the Director of the Congressional Budget Office.

I looked at that big gold seal that had been printed up in some confetti factory someplace and did not really mean anything but it was colorful, I looked at that and said, ''Gee, how can you certify that this is in balance?''

That is a curious thing, because I know that in the year 2002, the only way you could have done that would have been to have taken the Social Security trust funds and use them and then claim they were in balance. Of course, that would not be an honest

way to use the Social Security trust funds.

So I wrote to the Director of the Congressional Budget Office the next day, October 19, and said, ''Could you tell me, if you don't use the Social Security trust funds, what is the budget balance in the year 2002?''

She wrote a letter back on the 19th of October and then a second letter correcting an error in the letter of the 19th. The second letter is the 20th and it says: ''Excluding an estimated off-budget surplus of $115 billion in 2002 from the calculation, the CBO would project an on-budget deficit of $105 billion in 2002.''

Is the Senator from Pennsylvania familiar with this letter that says the CBO would project an on-budget deficit of $105 billion in 2002?

The Senator from Pennsylvania was critical, I think properly so, of the budget that he submitted in his amendment. Would he also be critical of a proposal brought to the floor of the Senate that contains a deficit of $105 billion in the year 2002, or is this the one he is prepared to vote for?

I will be happy to yield for a question or for a response without yielding my right to the floor.

Mr. SANTORUM. Mr. President, we have a certification from the Congressional Budget Office that says that the budget comes into balance by the year 2002.

The Senator from North Dakota is under the false assumption because we have trust funds they are not part of the Federal Government. They are part of the Federal Government like the highway trust fund is, like the aviation trust fund is. Just like we have a number of trust funds in this budget.

To suggest that they are not part of the Federal Government and should not be considered just does not look at reality. The reality is this is all part of the Federal Government. The Social Security Administration is a Federal Agency run by the Federal Government. To suggest somehow they should not be included in a Federal budget, I think, flies in the face of fact.

Mr. DORGAN. Let me ask an additional question because the Senator is attempting to respond to my original questioning saying this is income—income to the Federal Government.

Let me ask the Senator to put himself in a business seat, running a business, and someone says, ''How can you possibly take the trust funds from our pension program and use them as income on your operating statement? That is dishonest.''

The Senator would say, ''Well, what do you mean dishonest? That is part of my income.''

Do you think the Senator would stay in his desk very long or would they haul you to the penitentiary?

Mr. SANTORUM. I suggest no one is taking that money and using it without replacing it with an interest-bearing note required by law. There is no raiding of any pension fund going on here.

To suggest otherwise is a deliberate attempt to scare people, when, in fact, the Senator from North Dakota knows very well that money is only as secure as the solvency of this Government.

Mr. DORGAN. I think we are getting close to an answer——

Mr. SANTORUM. We are trying to get this Government solvent to pay back——

Mr. DORGAN. I think we are getting close to an answer, which is interesting because my theory is that there are some who think double-entry bookkeeping or double-entry accounting means you can use the same money twice. I think that is what we are seeing.

I think the Senator has said, well, it is not that we have taken the money out of the trust fund. There still exists an asset in the trust fund. If there still exists an asset in the trust fund, it cannot be over here. It is over here in the trust fund or it is over here in the budget as income.

Now, if it is over here in the budget as income, it is not in the trust fund. If it says, the Senator from Pennsylvania says it is in the trust fund, then you have a problem. Then you have to tear up that little gold certificate you brought to the floor that says you have a balanced budget, because your own Director of the CBO, June O'Neil, says, sorry, pal, $105 billion deficit in the year 2002.

The question is, where is it? It cannot be in two places. Is it over in the trust fund or is it used as revenue over here in your operating budget? Which, I ask the Senator from Pennsylvania, is it? Where does it exist?

Mr. SANTORUM. It is, as the Senator from North Dakota knows very well, what we are looking at as accounting practices to determine what the overall assets and liabilities are for Government; what you are doing is trying to play games.

Mr. DORGAN. The Senator is not responding to my question.

I am asking you, is it in the trust fund or used as income over the operating revenue side? It cannot be in both places.

Mr. SANTORUM. The money is a credit toward the trust fund. That trust fund surplus, like the aviation fund surplus, like the highway trust fund surplus, is part of the overall budget and is used for accounting purposes—for accounting purposes—to offset other deficiencies in other areas of the budget, for accounting purposes.

Mr. DORGAN. Now I understand.

Now, you propose that it is a credit in the trust fund. It is a credit. Now, what that means is that the trust fund is owed money you have used somewhere else.

That is why, you see, this does not add up. The only reason I am doing this, you brought to the floor something that says the administration's budget is a fraud because it does not propose to balance the budget. I agree with you. It did not balance the budget. I agree.

I am asking if the Director of your CBO writes a letter to us and says, if you do not use the Social Security trust fund—and believe me, you cannot do that because it is not the right way—you have a $105 billion deficit in the year 2002.

Why is that important? It is important because you say you will trigger a tax cut in balancing the budget and come up with a letter dated 10/18 saying, guess what? We have gold paper and a new ribbon and a letter saying we balance the budget.

Then I asked the question, if you balance the budget according to the law as written by Senator HOLLINGS—incidentally, that says you cannot use the trust fund. What do you have? Could you have a balanced budget? The answer is no, I am sorry, you have a $105 billion deficit in the year 2002.

I only do this to point out the contradiction of what you have just done. You do not have a balanced budget, either.

What I want to see us do is find a way that all of us could sift through all of this and figure out what represents wise choices. Where do you cut spending, where do you find revenue, where do you invest, where do you put together the pieces of this puzzle that really address the fiscal policy problem that we have?

This amendment we just had was not a tough vote for me because I have said before I do not support what President Clinton sent to us. But last night I offered an opportunity to vote on a simple proposition: At least restrict or limit the tax cut to those people whose earnings or income is less than a quarter of a million dollars a year.

Do you know what you save by that restriction? If you say the tax cut only goes to those with incomes of $250,000 a year or less, you save $50 billion by limiting the tax cut, over 7 years—$50 billion.

Now, I said, use that to reduce the cut we will make in Medicare. It is kind of an interesting juxtaposition. A lot of people in this country are doing very well, some making $1 million a year, some $10 million a year. God bless them. But frankly, they do not need a tax cut.

We are going to very low-income people and saying, guess what? News for you—increase your cuts and reduce your health care.

It is all about choices, which the Senator was alluding to on the requirement to vote for this amendment. I have no objection.

My only point is the argument made in favor of offering this, that the budget was not in balance as offered by the President, is exactly the same position you find yourself in, certified by the Director of the Congressional Budget Office. Is that not kind of a contradiction?

I am happy to yield to the Senator from Pennsylvania.

Mr. SANTORUM. Where does the Senator from North Dakota come up

with a $50 billion figure for those making over $250,000? I would love to see the estimate.

Mr. DORGAN. It is a reckoning by the Department of Treasury. Over 7 years, the amount of the tax break that will go to those earning over a quarter million dollars a year, over the 7-year period, totals about $50 billion.

Mr. SANTORUM. If the Senator will yield, the Senator from New Mexico and the Senator from Delaware have on numerous occasions come to the floor and discussed the tax cut and suggested that 90 percent of the benefits of the tax cut go to people under $100,000.

If that is correct, that means only $23 billion, roughly, $24 billion, roughly, goes to people over $100,000. I do not know how you come up with a figure of $50 billion for those over $250,000.

Mr. DORGAN. There is room for plenty of surprises on the floor of the Senate, but there is no room for surprise as significant as the one you have just offered or you say is offered by the Senator from Delaware, that 90 percent of this tax cut is going to go to people whose incomes are below $100,000.

That is not just a surprise, that is so far from the truth that it hardly warrants a response.

Mr. SANTORUM. That is why we will have debate tomorrow.

Mr. DORGAN. We are going to, but we will find going through the details of this that not only does it not hit the bull's eye, the arrow does not hit the target. It is not anywhere near it.

The fact is, about half of this tax cut in the aggregate, added all up, about half of it—this comes from the Office of Treasury, the U.S. Treasury Department—about half of that goes to persons whose incomes, families whose incomes are over $100,000 a year.

Mr. SANTORUM. Will the Senator yield?

Is the Office of the Treasury the official estimator of the tax provisions in the U.S. Congress?

Mr. DORGAN. I say to the Senator from Pennsylvania, it is difficult for us to get estimates on a very timely basis out of the Joint Tax Committee.

Mr. SANTORUM. The Joint Tax Committee is the official estimator?

Mr. DORGAN. Yes, and I am happy to give information from them except I would not get it the way your side has done it. What happened, you give us a bunch of tables and tell us the impact of the tax but do not count the change in the earned income tax credit, by the way. Do not count that. Then give us the table and tell us what we are doing.

So they get the tables, and I say, what is this? These are not tables. They do not mean anything. They are not accurate.

So the information I have received from the Department of the Treasury shows that about half of the tax breaks will go to families with incomes over $100,000. That is a debate we will have later.

I guarantee you this: There is not any way, there is not any way that we will find that 90 percent of the tax breaks go to families under $100,000. That will not happen.

I will also say, the Joint Tax Committee has said the GOP plan increases taxes on about 51 percent of the Americans, if you consider the earned-income tax credit changes. So that is the other side of this debate. We will have a long and tortured debate in the days ahead.

The Senator from Utah and Senator from Delaware, I think, are seeing their patience worn thin by this. But I did just want to respond to the proposition that the President's budget was not in balance. He is correct about that. But my point is, your budget is not in balance either. It is a fair piece out of balance.

I will not offer my second amendment. I should say to my friend, however, I am very tempted because my second-degree amendment would just ask us to vote on the same proposition we voted on last night except to say, ''Would you agree at least then to limit the earnings to those below a half a million dollars? If you will not agree to $100,000 or $250,000, would you agree at least to limit the tax cut to those whose income is under a half a million dollars? And I am sorely tempted to offer that as second-degree amendment, but I will not do that because I know the Senator intends to withdraw his amendment.

Mr. HATCH. I know this is an important debate, and I do not want to interject myself, but I want to move this bill.

Mr. DORGAN. I yield the floor.

Mr. LOTT. Mr. President, there were so many things that were said in the exchange a few moments ago between the Senator from North Dakota and the Senator from Pennsylvania that I want to comment on that and I hardly know where to begin. But I cannot leave many of those statements on the RECORD without some comment.

The Democratic National Committee continues to run a spot that says this about the President's budget:

> These are the values behind the President's balanced budget plan, values Republicans ignore.

He continues to talk about the fact that he has a balanced budget. We all know that is not true.

With regard to Social Security, I should note, by the way, that the President's budget treats Social Security the same way that the budget we are going to vote on later on this week treats that matter. The President does not have a balanced budget in 10 years, 9 years, or 8 years, for that matter. Now the Senate has spoken I think more than once, but also in the vote we just had, 96 to zero, repudiating the President's budget.

That having been done, I think it is time for us to really get serious about doing this job and balancing the budget. It is not easy. It is never easy. But we have a historic opportunity this time to actually make the commitment to balance the budget in 7 years.

I thought some of the President's comments during the past week had been positive, and what he had to say about tax increases. He said, you know, that he probably raised them too much. And he himself got around to saying yes, we can probably balance a budget in 7 years. Now there has been a lot of give and take on that. But we are getting closer together I thought.

But my question here this afternoon is when is the President going to get serious about talking to the Congress and working with the Congress in getting this job done? Everybody says we are going to have to come to some accommodation. Everybody says we need a balanced budget. What I want to know is when is that going to happen? I do not see any movement in that direction from the President, or from his representatives. It is just not occurring. The communication is just not occurring.

So the Congress has an obligation to go forward and fulfill the commitment that we made in our budget resolution earlier this year. That is what we are going to do in the next 2 or 2½ days. We are going to pass a reconciliation bill that keeps our commitments to a balanced budget in 7 years, that does reform Medicare. And I want to emphasize on Medicare once again that our Medicare reforms would allow for Medicare spending to increase 6 percent over that 7-year period, 6 percent each year which is double what inflation will allow. So we are going to have a significant increase every year over the previous year of what can be spent for Medicare. We are going to have genuine reform that saves and preserves the program. We are going to have Medicaid reform, and we are going to have tax cuts.

I know that it is a very easy thing to do, I guess, here on the floor of the Senate—to attack the tax cut, as the Senator from North Dakota did a while ago. But when you go down the list and start asking Senators which one of these tax cuts do you oppose, then their attitude changes. Who among us does not want to get rid of the marriage penalty? For 20 years—at least 10 years—I have been hearing that we need to get rid of this marriage penalty that penalizes people where they have to pay more taxes when they get married. Maybe that goes to upper income, lower, or middle income. But the question is, is the marriage penalty wrong? The answer is that it absolutely is. We ought to eliminate it.

On spousal IRA's, who among us wants to argue that a spouse working in a home should not be able to have an IRA like everybody else? That spouse is prohibited. That is what is in this bill. We want to encourage savings. IRA's, Individual Retirement Accounts, will do that.

Capital gains tax rate cuts will provide growth in the economy and create jobs.

Here is an interesting tidbit that is ignored around here. Even in spite of

this very small $245 billion tax cut, revenue to the Federal Government will go up $3.3 trillion over the next 7 years. We are not exactly starving the Federal Government for revenue. That is $3.3 trillion on top of all the revenue that is already coming into the Federal Government.

So to allow some of the people that are working and paying the taxes to keep a little bit of their tax money for families with children, to be able to get a little tax credit to help them pay for the needs of their children makes good sense to me.

With regard to the balanced budget and the so-called cuts, or the controlling of spending that we are doing in our budget resolution, I point out once again that in spite of the controls on spending which we include, spending will still go up $2.6 trillion over the next 7 years; not exactly putting the Federal Government on a diet when it still will go up $2.6 trillion. The truth of the matter is we probably should be cutting spending a lot more, but we have an orderly, planned package. This is a fair package, a balanced package in the cuts and controls in spending, and also in the tax cuts.

I continue to hear also some remarks that maybe we ought to let the Treasury decide what the tax numbers are, or the Joint Commission on Taxation. You know, I think it ought to be the Congressional Budget Office, not the Office of Management and Budget. And the President said on February 17, 1993, that the Congressional Budget Office was normally more conservative, and what was going to happen was closer to right than previous Presidents have been.

We should use the Congressional Budget Office. We should not use smoke and mirrors this time in getting to a balanced budget. We should not use rosy economic assumptions. We should not assume that medical inflation is coming down dramatically and use that to try to cover up what the truth is about the budget deficit numbers. We ought to go ahead and face up to the tough votes on cutting and controlling spending.

Also, it is continued to be suggested that, well, maybe we should change the Consumer Price Index.

Look, anything we do to change those numbers is just going to allow us to find a way to duck the tough choices of controlling spending and allowing the people who pay the taxes to keep a little of their revenue to look after their own families and make their own decisions.

I am glad we put the decision to rest. The President's budget did not really exist in the first place. We just had a vote of 96 to nothing to say we are not going to consider that. And so now let us move on to tomorrow and Thursday and taking up, considering a real budget resolution and reconciliation package that will provide a true balance over the next 7 years.

Mr. President, I yield the floor.

Mr. HATCH. I move the bill.

Mr. LOTT. What is the pending business, Mr. President?

AMENDMENT NO. 2946, AS MODIFIED

The PRESIDING OFFICER (Mr. ABRAHAM). There is no specific order to moving the bill. The question is on the amendment of the Senator from Pennsylvania, at this time. The Senator from Utah has the floor.

Mr. HATCH. Mr. President, could I yield to the distinguished Senator from Kentucky?

Mr. FORD. Mr. President, I would like to have the floor in my own right. I do not think the Senator from Pennsylvania has withdrawn his amendment yet. There is a pending amendment.

The PRESIDING OFFICER. Right.

Mr. SANTORUM. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 2943), as modified, was withdrawn.

AMENDMENT NO. 2946

(Purpose: To provide for the appointment of 1 additional Federal district judge for the western district of Kentucky, and for other purposes)

Mr. FORD. 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 Kentucky [Mr. FORD], proposes an amendment numbered 2946.

Mr. FORD. 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:

At the end of the bill add the following new section:

SEC. 2. ADDITIONAL FEDERAL DISTRICT JUDGE FOR THE WESTERN DISTRICT OF KENTUCKY.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate, 1 additional district judge for the western district of Kentucky.

(b) EASTERN DISTRICT.—The district judgeship for the eastern and western districts of Kentucky (as in effect before the date of the enactment of this Act) shall be a district judgeship for the eastern district of Kentucky only, and the incumbent of such judgeship shall hold his office under section 133 of title 28, United States Code, as amended by this section.

(c) TABLES.—In order that the table contained in section 133 of title 28, United States Code, shall reflect the change in the total number of permanent district judgeships authorized under this section, such table is amended by amending the item relating to Kentucky to read as follows:

''Kentucky:
''Eastern 5
''Western ..... 5''.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I rise today to introduce an amendment to correct a longstanding problem in my State of Kentucky. There is an old expression that goes, ''justice delayed is justice denied.'' Well many in Kentucky are being denied justice and if it were not for an extremely hardworking and dedicated judiciary, many more would feel the same.

The situation is nothing short of critical. For several reasons Kentucky is in a unique situation. It has what is known as a ''swing'' judgeship. That means a judge is shared between two districts. In this case it is the eastern and western districts. Being largely a rural State, the communities that hold court are usually a long way from each other and the only means of travel is by car over bad roads that wind through the mountains.

This situation is far more troubling than many of my colleagues from other areas of the country may realize. Long trips by judges after hours or before court take up a significant amount of time—time a judge would normally spend hearing cases. In fact, without the difficult travel requirements, I probably would not be troubling the Senate with this amendment. Unfortunately, I must—the problem is just too great.

Juries also travel great distances. This results in jurors who would rather deliberate late into the evening—sometimes into the early morning—in order to avoid travel home and back for additional days of deliberations. This poses still further hardships on the judges who are then forced to stay up late and then travel to court in the next jurisdiction the very next day.

Furthermore, new gun control legislation has dramatically affected cases in Kentucky. Many times a more routine drug bust or other arrest turns into a time consuming and difficult case because of the presence of the firearm. The practical effect of this has been a large increase in long cases that tie up the judges, keeping them from getting to other matters on their dockets. Civil cases in many instances have been held to a stand still.

Mr. MCCONNELL. Mr. President, I would like to speak in support of the effort by my senior colleague to relieve the burdensome situation within the Federal judiciary in Kentucky. I commend him for his leadership on this issue.

We have two districts in Kentucky's Federal court. And we have one judge who splits her time between the eastern and western districts. In order to fulfill her responsibilities, she often logs hundreds of miles each week. She has two principle offices and must attend administrative meetings for both districts. This is an inefficient use of her time and represents valuable time away from managing her caseload. And, this situation is no reflection on the current judge who occupies this position. These are the identical circumstances that existed with the prior occupant of this position.

I realize it may not be feasible to create a single additional Federal judge at this particular time. I am aware of the complicated balancing act that must

occur any time the number of Federal judges is evaluated.

Nevertheless, I join with my senior colleague in drawing the Senate's attention to our particular circumstances in Kentucky. When the Senate Judiciary Committee considers additional Federal judges, I hope the members of the committee look at the swing judge in Kentucky. And, I urge the Administrative Office of the U.S. Courts to examine this unique situation.

I thank Senator FORD for his leadership on this issue.

Mr. FORD. Mr. President, I am not going to take any additional time on this because I know the chairman of the Judiciary Committee is itching to get away from here, and I do not blame him. It was about 3 hours ago, I think. But what I have is a split judgeship, one in the eastern part of Kentucky, one in the west. The youngest judge is assigned to the east and the west. So we have some going to the mountains and some going to the flatlands of west Kentucky, and this one judge spends 5 and 6 hours on the road. If the jury is out until 2 o'clock in the morning, then makes their judgment, comes in, the judge is back in the car and has to drive another 5 or 6 hours. It is absolutely a horrendous situation.

Mine is not the only State. Missouri has split judges, Oklahoma has split judges. But we just have one. And when you traverse the State from Pikeville in the far east to Paducah in the far west, it is some 600 miles. So it gets to be a tremendous burden.

What I am asking in this amendment is to allow Kentucky to have an additional judge. That additional judge, then, would mean that we would have a full-time judge in eastern Kentucky and not divided with the west. We would also, then, have a full-time judge in the west. And we would see that the court docket was reduced tremendously.

Mr. HATCH. If the Senator will yield, we understand the Senator's problem and we are concerned about it. As of right now, there is a real question as to whether we can justify another judge in that State. But I am willing to talk with the Senator and try to work this out, if we can, over the immediate future and see if there is some possible way we can solve it. If there is not, we will be straight up with the Senator and let him know, but I am willing to try to see what we can do.

We would like to pass this bill because it is a temporary judgeship bill that, really, nobody has any objections to, and that literally will solve a lot of very important problems for the courts. We would like to do it without amendment if we can.

Mr. FORD. Mr. President, I understand what the distinguished Senator from Utah is saying. But, if I did not bring notice——

Mr. HATCH. I understand.

Mr. FORD. To this body and to the Judiciary Committee, through this method, which is the only one I have, then I think I would be remiss in representing my State.

Mr. HATCH. We understand.

Mr. FORD. There is a lot more to dispensing justice than the number of cases. What we are doing now is, the youngest judge, a female judge, is on the road day and night. And that is justice delayed. She is absolutely working her heart out, getting a driver, dictating, writing while she is on the road, trying to accommodate the lawyers in the cases and the courts in which she is assigned.

So it is fine for you to say you will work with me. The commission sent a report, in which it gave us an extra judge in Kentucky, which would have solved our problem. I understand the commission withdrew their suggested increases. Now we are in limbo and I do not know where we are.

I will not accept ''we will try sometime in the future, next year.'' I would like to try sooner than that, if I could. Because the judge is being overworked by travel, by court cases.

We have an excellent judiciary in Kentucky. They are working hard to eliminate the burden of cases. But, under the circumstances, we are not able to do that and it is not the number of cases per judge that creates the problem for us.

Mr. HATCH. If the Senator will yield, I do not think Kentucky could have better advocates than the two Senators that currently represent Kentucky. I understand the issue. All I can say is, in good faith, we will try to work with the Senator and try to resolve it. But I would like to not have to go to a vote on this amendment, because I would have to oppose it under these circumstances and I would prefer not to do that if we can somehow or other find our way clear to working out this problem.

As far as I am concerned, the Senator is a leader in this body. I have every desire to try to accommodate him if we can.

Mr. FORD. Mr. President, I will, in just a moment, withdraw it. It is not very often I come before my colleagues and ask for something other than what I think is——

Mr. BIDEN. Will the Senator yield before he withdraws?

Mr. FORD. I will be glad to.

Mr. BIDEN. Mr. President, I think the Senator from Kentucky makes a very valid point. I, for one, think there is justification for Kentucky having another judgeship.

Frankly, one of the things the Senator from Utah and I talked about earlier in the process—not today, but in the year—was this notion of whether or not we need an additional judgeship bill, period, nationwide. And the answer is we do.

Mr. HATCH. Yes, we do.

Mr. BIDEN. So we do need additional judges, in my view.

I am not referencing any particular Senator when I say this. And I mean this literally: Not referencing any particular Senator. But we are getting into the field, the time and space, where it is going to be hard to get judges moving through here at all.

As some will remember, when President Bush was in his last year, last days in the Presidency, I, along with the Senator from Utah—we pushed through literally another 17 or 18 judges in the last 4 or 5 days of the session. I hope that spirit exists here.

But in fairness, both President Bush and President Clinton suffered from the same problem. They took too darned long in getting a lot of their nominees up here for us. But we are where we are now. I cannot speak and do not intend to speak for the Senator from Utah. I expect that had things moved more quickly we may have been in a position to be pushing the judgeship bill overall. My guess is that the political reality would be that we are not likely to get that done until the next election settles, whether or not we will get it done.

That is a long way of saying I think on the merits the Senator from Kentucky is correct about the need in Kentucky. I would add in addition to that that the Senators from several other States are in very difficult shape. For example, in the southern district of Florida, they could use a handful more judges just to get their docket up and running to be able to handle civil cases because they have so many criminal cases; in southern California, in Texas, in New York. So there are a lot of places we need extra judges.

I compliment the Senator from Kentucky for making the case for his State. The whole purpose of my speaking these 5 minutes or so is to make the point for the RECORD. On the record, for the RECORD, the Senator from Kentucky has a case. I believe he is correct. I will tell him I will do all I can immediately to try to get him an additional judge. But he knows the system as well as I do, and, quite frankly, better than anyone that I know. I would not want him to bet the mortgage on—he probably does not have a mortgage anymore—but I would not want him to bet the farm or the house on us getting this done very quickly. But I support him, and I think he is substantively correct.

Mr. FORD. I thank my friend from Delaware, and I also thank my friend from Utah.

Mr. President, I am reluctant to do this but I understand where we are coming from. We will revisit this question, and if we do not vote, if I do not get it the first time, it may be the second time and it may be the third time. I am going to be persistent.

So, therefore, Mr. President, I withdraw my amendment.

So, the amendment (No. 2946) was withdrawn.

Mr. HATCH. Mr. President, I thank my colleague for that.

Mr. LEVIN. Mr. President, today the Senate will consider legislation to extend the temporary judgeships created

by the 1990 Federal Judgeship Act from 5 years or more from the date of enactment of the act to 5 years or more from the confirmation date of the judge named to fill the temporary judgeship created in that act.

Of the 13 temporary Federal judgeships created by the 1990 act, only Michigan will be exempt from today's extension. This is because the Michigan Western District judges do not want to preserve this seat because they don't believe it can be justified by their caseload. I ask unanimous consent to insert in the RECORD the attached Grand Rapids Press article on this subject.

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

[From the Grand Rapids Press, Oct. 14, 1995]

IN STRANGE MOVE, JUDGES SAY THEY DON'T WANT NEW COLLEAGUE

(By Arn Shackelford)

West Michigan federal judges have shocked members of the area's Republican delegation by maintaining they don't need any more judges.

The judges last month wrote to U.S. Sen. Spencer Abraham, R-Michigan, requesting that the federal Western District of Michigan be excluded from a bill that likely would bring another federal jurist to the area.

''We were surprised to hear they were saying no,'' said Lee Liberman Otis, Abraham's chief judicial counsel. ''It's very unusual for people in the federal government—or anywhere else—to say, 'We don't need extra people to help us with our work.'''

The bill, which is sponsored by U.S. Sen. Orrin Hatch, R-Utah, and likely will be passed this year, would extend the Federal Judgeship Act of 1990. The act, under which U.S. District Judge Gordon Quist was appointed, created ''temporary'' judgeship for five years, or through December.

Quist's judgeship doesn't evaporate that month, but if one of the district's five active judges takes senior status, retires or dies before that time, that vacancy would not be filled by a new judge.

Under the Hatch bill, the period during which another judge could be appointed will be extended to five years from whenever temporary judges were sworn in. That would be Aug. 28, 1997, in Quist's case.

''But the judges in this district decided we did not need to have the position renewed,'' said U.S. District Chief Judge Richard A. Enslen. ''We think we can get along with four judges and four magistrates.''

The federal Western District of Michigan—which includes all counties in the western half of the state and the entire Upper Peninsula—now has five active judges, four magistrates and two senior judges.

The active judges, who carry a load of about 225 civil cases and 50 criminal cases, include Robert Holmes Bell, Enslen, Benjamin F. Gibson, David McKeague and Quist. The magistrates, who handle most arraignments, misdemeanor cases and motions are Hugh W. Brenneman Jr., Joseph G. Scoville, both based in Grand Rapids; Doyle A. Rowland in Kalamazoo; and Timothy P. Greeley in Marquette.

But the senior judges, Douglas W. Hillman and Wendell A. Miles, also are hard at work in the district and handle at least a quarter of the civil cases the others do.

Federal judges, who are paid $133,600 annually, can take senior status when they reach 65 and have enough years of service to total 80. Even though they continue on full salary until they die, they can leave the bench as soon as they move to the new status.

Neither Hillman nor Miles has chosen to do so. And Gibson, who announced earlier this year that he will take senior status next August, said that he, too, will continue to work on cases in this district.

''One of the reasons we're in good shape is because we do have the two senior judges still working,'' Enslen said. ''That's a good deal for taxpayers. The best bargain in America is a (federal) judge who reaches retirement age and doesn't walk away.''

As once was the case, lawsuits aren't piled up waiting to be heard for long periods in this district, the judges say. In addition to help from the senior judges, fewer cases are being filed now than in the past, and the court also reduced some of what was a backlog by implementing ''differential case management.'' That process assigns lawsuits to different time tracks, limits what attorneys may do, and moves cases along quickly.

Still, if West Michigan isn't excluded from the Hatch bill, a new judge could be appointed to fill the vacancy Gibson's move to senior status will create. And if Enslen decided to move to senior status before August 1997, the district would be slated for two new judges.

Otis, who said West Michigan likely would be excluded from the bill, said the district was the only one to make such a request.

''Most of the other areas are saying, 'Yes; we want this extended,'' she said. ''This is very good of your judges. They could use their extra time playing golf.''

Mr. ABRAHAM. Mr. President, I am delighted to support S. 1328. I just want to address one aspect of this legislation: why the bill does not extend the temporary district judgeship in western Michigan.

That judgeship is not being extended because the judges of the western district contacted the offices of members of the Judiciary Committee, including mine, and requested that it not be extended. I will admit that I was surprised to receive this request. It is, I believe, the only request I have received on behalf of any government entity to give it fewer resources. Indeed, I was so surprised I thought I should see if there was some hidden agenda behind it.

Remarkably enough, however, there proved to be none. Rather, the judges in the western district were simply saying the following:

''We believe the government should be run for the benefit of the governed. We are volunteering to work longer hours and take fewer vacations with no gain to ourselves in order to live up to that obligation. We also appreciate the efforts of our senior judges, who in many cases are continuing to carry very full dockets despite being under no obligation to do so.''

''For these reasons, we do not need this judgeship. Not filling it will thereby save the taxpayers millions of dollars. To be sure, given the size of the deficit, that will not make that much of a dent. But we believe it is our responsibility to do our part in reducing the size of the government, and the burden it places on taxpaying American citizens.''

While there is much talk of shared sacrifice, there are not very many offers to take on a greater share of it. I simply want to express my thanks, and the thanks of my fellow Michiganders, to the western district judges, for making this unusual request, to which my colleagues and I are glad to accede.

Mr. HEFLIN. Mr. President, I rise today as a cosponsor of S. 1328, a bill to amend the commencement dates of temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990.

This legislation created 13 temporary judgeships in districts throughout the United States, one of which is in the northern district of Alabama, and the act provided that the first vacancy in the office of a district judge in those 13 districts occurring after December 1, 1995 would not be filled.

The reason this legislation is necessary is because delays occurred in the nominations and confirmations of the 13 judgeships created by the 1990 act. Thus, many districts have had a relatively short time in which to utilize the services of these temporary judgeships. For instance, in the northern district of Alabama, our new judge, the Honorable Sharon Lovelace Blackburn, was not confirmed until May 28, 1991. She has served with remarkable distinction and is a very hard working and dedicated U.S. district judge.

What is important to remember, as we seek to pass this legislation, is that the delays in filling these temporary judgeships frustrates the intent of Congress back in 1990 to reduce the backlog of cases pending in these 13 districts.

The bill before this body today provides that the first district judge vacancy occurring 5 or more years after the confirmation date of the judge appointed to fill the temporary judgeship will not be filled. Thus, each of these 13 districts, with the exception of the western district of Michigan which requested to be excluded from coverage under this bill, will benefit from an extra judge for a minimum of 5 years regardless of how long the judge's confirmation took. I urge my colleagues' support for S. 1328.

Mr. HATCH. Mr. President, as far as I am concerned the bill is ready for a vote.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading was read the third time, and passed as follows:

S. 1328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMMENCEMENT DATE OF TEMPORARY JUDGESHIPS.

Section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101–650; 104 Stat. 5101; 28 U.S.C. 133 note) is amended by striking out the last sentence and inserting in lieu thereof ''The first vacancy in the office of district judge in each of the judicial

districts named in this subsection, except the western district of Michigan, occurring 5 years or more after the confirmation date of the judge named to fill a temporary judgeship created by this Act, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled.''.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, on behalf of the leader, I want to announce that there will be no further votes tonight.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

PRESIDENTIAL BUDGETS

Mr. FORD. Mr. President, I hear all this talk about the budget every day and everybody says the same thing. We could probably just have a tape recording of what we said yesterday, and we get the same thing again today.

Senators act like this is the first budget that has ever been brought before the House or the Senate submitted by a President that has been voted on that did not get any votes.

The distinguished Senator from Mississippi talked about 96 to nothing or 99 to nothing. Remember Ronald Reagan's 425 to nothing in the House. I believe that is correct. I see him shaking his head. So there have been a lot of budgets that have been dead on arrival. Even the Republicans have voted against a Republican President's budget. So this is not new. Senators act like this is the first time for it to ever happen, this is the worst fellow that has ever been up there.

If turning budgets down makes a bad President, then we have had some Republicans up there who had their budgets turned down, so they were not very good Presidents that we are now bragging about.

One statement has been made here that we ought to quit this smoke and mirrors, and we ought to sit down and we ought to do it rather than beating up on the President. You have responsibility; I have responsibility; we all have responsibility to try to get it worked out. We take CBO figures. We take CBO figures and we get letters from the Director of CBO which state the Republican budget is not in balance by $105 billion.

We did not select that chairman. The majority selected that chairman. That chairman sent us the letter, and we now have it, which says the budget that is being proposed is $105 billion short.

So what I wish to do, Mr. President, is not stop the Pell grants for my State. I do not want to reduce or eliminate the help for 55,000 higher education students in my State. We are in a global market. We are in global competition. Education is the great equalizer. But oh, no, we are increasing, you hear from the other side, Pell grants by $100. That may be true, but you are eliminating—if you are not eligible for $600, you are eliminated from the rolls. So in Kentucky we lose 6,000 Pell grants next year alone—next year alone.

So it just is a little bit disconcerting to me to hear all of these things, and the public ought to be quite confused, quite confused because you get a CBO letter with a gold seal on it that says the budget is balanced, and the next day you get one that says it is not—from the same office, signed by the same person as it relates to whether Social Security is in the trust fund and loaned or it is in the general fund. It cannot be both places. You can say what you want to and argue all day. I do not believe you can find a jury that would say in this particular case that it is both. You can borrow from it and spend it, but the assets are over in Social Security. It cannot be used twice. And so we do not have it.

So the point I am trying to make here, Mr. President, is that we can take care of Medicare without cutting it $270 billion; $89 billion is enough. We do not need to put the middle-income people in a problem, and the middle-income people, $35,000 to $70,000, is where I would say they are as it relates to Medicaid and nursing homes because you are going to run out of money. That is going to fall on the shoulders of the sons and daughters of the $35,000 to $70,000 income families at some point when their parents are in a nursing home on Medicaid and the phone rings about the latter part of July, 1st of August saying, ''Come and get dad; come and get mom; we are out of money.''

And you change the rules in this bill on regulations on nursing homes. You change the rules as they relate to regulations on nursing homes. Let States do it. The reason the Federal Government is in the business of regulating nursing homes is because the States had it. And the statement has been made, OK, just sedate the elderly; you can handle them easier; then you have fewer employees, you will need fewer employees.

Well, that is just one giant indication that we are headed back to the same place we were when we had to take over the regulation of the nursing homes.

One of the things that we see coming down the pike is hiding the sale of power marketing administrations in the House bill on page about 470-something where it is now the Secretary of Energy, Interior and Army cannot sell PMA's, but in the House bill you repeal those three and then you instruct those three Secretaries to have a report on how to sell PMA's by the end of next year. And now you have put it in the appropriations bill, and those that are opposed to the sale of PMA's, you better go look at the appropriations bill, Interior bill, and see what they have done there and refuse to sign the conference report until the PMA sale is in that appropriations bill.

I see the Senator looking at his watch. I will quit any time he wants me to.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. I would have looked at my watch sooner.

Mr. FORD. I would not have quit sooner, though.

FOUR CHANGES TO BE MADE

Mr. THOMAS. I want to talk a little bit about the business that we are approaching this week. It seems to me it is the most important opportunity that we have had in 25 years, and the Senator and the previous speakers talked about the reasons why we cannot make these changes and the reasons why this is wrong and the reasons why it has to be some other way. The real test is that we have been talking that way for 25 years, and the results speak for themselves.

We find all kinds of reasons why we cannot balance the budget. So what has the result been? A $5 trillion debt. It has resulted in the interest on the debt being the largest single line item in the budget. But we have been talking that same talk for 25 years: Cannot do it.

I wish to talk a little bit about why we should do it and why we have the greatest opportunity we have had in a very long time to do the same, to complete at least four things that I think most of us, particularly most of us that are new here, apparently came here to do, and it is the first time there has been a chance to do that, and I wish to talk about the benefits of doing it.

They are four changes that need to be made and four changes that can be made in the next couple of weeks, fundamental changes, not messing around the edges, not talking about change but never doing it. All of us have watched this Government for a long time. Most of us have watched this Congress talk about it; we want change. The fact is, it has not changed. The fact is, the debt has continued to grow. So we have a chance to make some fundamental changes, to not only turn around the arithmetic but to turn around the morality and the fiscal responsibility of making this Government sound within. Maybe more importantly than that, shaping the Government in the way that you would like to

see it be shaped when we go into a new century, that you would like to see it be shaped when you turn it over to your kids or your grandkids.

Do we want a Government that is $5 trillion, $6 trillion, $7 trillion in debt? I do not think so. Despite all of the rhetoric, despite all the talk every year, the same thing has gone on, and I guess that is how you really measure it—by results, not by talk, not by whether it is CBO or whether it is OMB, but what are the results. And the results are that the debt has gone up each year.

So we have a chance to make fundamental change, fundamental change in at least four areas. One of them is to balance the budget, a change you would not think we would even need to make, a change to make income and outgo the same. Can you imagine that? That is the way it has to be with families, the way it has to be with businesses. But we have not done that. We have spent more than we have taken in, and we put it on the credit card.

Someone asked recently in a letter to a column called Ask Marilyn, and they talked about the problem with a credit card.

Let me quote from it.

> Let's suppose you have an income of $125,760 that comes not from work but from the contributions of all your friends and relatives who work. You're not satisfied with what $125,760 can buy this year, so you prepare for yourself a budget of $146,060 and charge the $20,300 difference to your credit card, on which you're already carrying an unpaid balance of $452,248—boosting that to $472,548, on which you pay interest daily.

Multiply that little scenario by 10 million, and you have the national budget.

The second thing we can do is strengthen and save Medicare. We can do that. We can do that. Reform welfare, we can pass that here. We can reform welfare for the very first time. We can reduce the burden to taxpayers.

Now, why is this the right thing to do? It is because that is what we said we would do when we came. That is what we told voters we would do when we came. That was in the contract for America. The President said he was going to do those four things when he ran. But he did not do it. So, that is what we need to do. These are key issues and these are attainable goals.

There is great opposition to change always, mostly from people who have put the programs that are now in place in place, from people who talk about the failure of the present program and use as an example what is wrong now and the reason why we cannot change based on programs that are already in place and have been put in place by the folks that are opposing change. That is where we are.

So, we need to make changes if we expect some different results. But guess what? Folks want to continue to do the same thing and anticipate that the results will be different. It will never happen.

What are good things to be gained? Of course, we balance the budget. We will do something about that interest that is going on. The largest line item can go to something else, can be used for tax deductions, can be used for many things, put more money into the private sector because it will not take it out of the private sector to fulfill this. It would change the interest rates, reduce the interest rates. But maybe most of all it shows some responsibility in fiscal responsibility in terms of our future and the future of our kids.

Welfare: We need to change the pattern of welfare. Everybody believes we ought to have welfare programs to help the people who need help, but then to help them back in, help them back in to the private economy. We need to move it to the States. The States are the laboratories that develop effective distribution systems.

Medicare: We all want Medicare to continue to serve the elderly. It will not unless we make changes. There is no question that you have to make a change; there is some question, I suppose, how you do it. But it will go broke if we do not do something. We need to have choices. Why should not the elderly have choices? We have been able to contain some, the increased costs in health care costs—not in Medicare, not in Medicaid. It continues to go up at 10 percent. We can do that.

Tax reductions: We ought to leave more money into the pockets of families. We ought to leave more money in businesses to be reinvested in jobs for the economy. We have a chance to do these things and a chance to do them in the next 2 or 3 weeks. Mr. President, I hope that my associates will take that opportunity and cause that to happen.

I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

SAVING OUR CHILDREN

Mr. ASHCROFT. Mr. President, this week we will have an opportunity to save our children's future. Time and time again there are individuals that have come to the floor of the Senate to speak to this deliberative body about the rights of the children. But the truth of the matter is, we have been spending the inheritance of our children, not just their inheritance, but also we have been spending their yet unearned wages at an alarming rate. We need to begin consideration of a budget reconciliation bill which indeed will save our children from having their resources consumed in advance of their having earned them.

Our current national debt is $5 trillion. Children born this year will have to pay interest of about $200,000 over their lifetime. That is just interest—not principal. When we think about the children, I think we ought to think carefully about what we do to the children when we displace the costs of our consumption to the next generation, to the children born and yet unborn. For decades now the Federal Government has spent beyond its means and lived beyond its resources. It has done so at the expense of the next generation.

During the debate over the current plans to limit the size and growth in spending, I have been reminded of the philosopher's words, ''They sought to heal by incantations a cancer which requires the surgeon's knife.'' We cannot react to the countries' fiscal crisis by saying a few rosy words. We cannot make a few incantations and heal the problem we have in terms of the finances and resources of this country. We need to take the surgeon's knife.

It is important to note that the surgeon's knife is an instrument of therapy, not an instrument of destruction. It is an instrument which will provide for better health. I believe we will do that, and we will make responsible—yes—difficult choices. We take the knife to the cancer and we take the knife where it is necessary to pare back the increase that would otherwise happen too frequently, with the kind of wasteful increase we have had in the past.

We have to stop an ever-increasing spiral of debt, a spiral which is a spiral of abuse against the next generation. In the past few months, we have made some difficult choices surrounded by the familiar incantations of those still clinging to the discredited and irresponsible philosophy of spending without consequence or budgeting without accountability.

Mr. President, I believe in the purpose for which we were sent to Washington. The people were demanding and expecting that we would balance the budget and they are expecting that we will end business as usual. They are expecting us to listen to them. We must continue. We have made progress, but we must continue on this historic journey toward meeting their demand—we represent them. We must fulfill their expectation by passing a balanced budget reconciliation bill that puts us on a path to fiscal responsibility.

Now, there are those who came here in this session of the Congress who decided that two rules have to be changed; therefore, we cannot call the budget balanced. They say now, we must use different figures, different procedures than we would have used in the past. I think it is time for us to balance the budget according to the rules and to get that behind us. There are other things we might do in the future to improve our fiscal health.

Let us take this directive from the American people. Let us balance the budget. We could put our heads in the sand rather than to face this Nation's fiscal realities. We could produce a plan, I suppose, that would allow minor changes. We could only tinker with the operations so that we stave off the Medicare bankruptcy for several months or a couple of years. We need

to set our system on a sound footing for long-term growth and development. Congress could continue the ingrained habit of treating taxpayers' funds as the key to the candy store. We could wait until the year 2015 to address our problems like the national debt. In 2015, at the rate of current spending, the Government would only be able to spend on four entitlement programs and interest on the national debt—that would take the entirety of the budget.

Then there would be no money for defense for the country, no law enforcement, no food safety, no highways. It would all be just for the entitlements and interest. We cannot do that. We must act now. We must protect the children. We must protect their opportunities.

We live in a global economy where productivity and competitiveness are the hallmarks. We will succeed, we will sink or swim based on whether or not we are productive and competitive. We cannot swim with a debt load on the back of each citizen in the next century so great that they cannot compete in the world marketplace.

Some people say, ''Well, instead of controlling spending, we could always raise taxes.'' The largest tax increase in history was pushed through in 1993. Now the President says he raised taxes too much. I think we all felt that he raised taxes too much.

I know we could find a lot of things that we want to do instead of balance the budget—people did not send us here for that. They sent us here to balance the budget, and it is time that we do it, because the Government sets a standard.

Over the last 30 years, tragically, we have been setting a standard of irresponsibility, a standard of undisciplined spending. We are like the parents who never set a standard for their children. The children are witnessing this Government spend, spend, and spend without accountability. It is time that we meet the challenge of bringing responsibility and accountability back to Government. It is time we stopped saying an incessant ''yes.'' It is time we have the tough character to say ''no'' to protect the children—to take a responsible path.

During the 104th Congress we passed a budget resolution to balance the budget in 7 years. We voted to phase out or consolidate numerous outdated programs, commissions, agencies, initiatives. We voted to reform the failed welfare system by giving the people the power to eliminate poverty and hopelessness in their own backyards.

Mr. President, rather than trying to gain short-term political advantage by shamelessly frightening elderly Americans with empty rhetoric and misinformation, we instead are moving to protect, preserve, and strengthen Medicare for the long haul. We are working to bring efficiencies, normally only found in the marketplace of late, into the Medicare system to give people a sense of choice and, in doing so, yes, to restrain some of the growth—but still make it possible for people to have good health care.

We all know that in the next 7 years of reform, the amount spent per capita in the Medicare system under these reform plans goes from $4,800 per year to $6,700 per year, and that kind of an increase per capita is a substantial one. It will allow us to attend to the current health needs, without continuing to jeopardize the future of the fund.

Mr. President, we want to let the American people keep more of what they earn. American families deserve it. American families have seen their tax burden grow from as little as 2 percent in 1950 to nearly 50 percent today. We want to give families the opportunity and responsibility of spending their own money so they can help themselves rather than have the Government always taking their resources and deploying it in a governmental scheme which seldom meets the need and frequently undermines and erodes the values for which families stand.

It is important for families to decide what is in their best interest, rather than having a governmental bureaucracy always deciding what is in their best interest.

When the families of American people express their belief that Government is out of control, as they did in last November's election, they are correct. For too long this body has assembled to satisfy the appetites of narrow interests at the public's expense. The American people are fed up with a Congress that spends the yet unearned wages of the next generation.

The resounding mandate from the electorate is to dramatically reduce Government spending, to shrink the size of the Federal Government, to stop the Government from interfering with the ability of individuals to make decisions for themselves, for their families, their property, and their lives.

That means that the attitude of ''Washington knows best'' must come to an end. It means that the Congress must exercise the same kind of fiscal responsibility and restraint in making its difficult decisions that every family in this country has exercised when budgeting around their kitchen tables. We say that we will not buy the things that we cannot afford. We do not spend the money we do not have, and that is a virtue that ought to be imposed upon the Government.

In conclusion, over the next couple of weeks, all Senators, both Democrats and Republicans, will have the opportunity during the debate on the budget reconciliation bill, and other measures, to send a message to the American people. Let us make it a message of responsibility and integrity and accountability. Let us say that we have heard them; that they have sent us here to do a job, not necessarily an easy job, it is not a job that requires no courage, or a job that requires no judgment. They have sent us here to do a tough job, but it is a job, the toughness of which they face on a daily basis in their own lives and businesses.

Let us do that job. We have a duty to America and the next generation to tackle the tough decisions and not to hide our heads in the political sands. So let us come together to a point of reconciliation. Let us come to a point of decision on a bill that will set us on a steady path, a responsible path of accountability, of integrity and responsibility, a path of a balanced budget. It is within our grasp in the next 2 days. Let us make sure we take advantage of this opportunity.

Mr. President, I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I ask unanimous-consent to speak—I had not realized that there was a 10-minute limit. When I created the speech, which is talking about something which has not been talked about before on the floor, I did it for the purpose of trying to enlighten the membership. So if I go over just a couple of minutes, will that put me in severe jeopardy with the Presiding Officer?

The PRESIDING OFFICER. Another Presiding Officer will be here by that point.

Mr. ROCKEFELLER. That is true.

The PRESIDING OFFICER. So the Senator from West Virginia might want to seek a unanimous consent agreement first.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that I, with discipline and with good intent, have the time which I might require for my remarks.

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

PROMISES MADE SHOULD BE PROMISES KEPT

Mr. ROCKEFELLER. Mr. President, I rise to report to the entire U.S. Senate and, in fact, I am talking to my colleagues—hopefully, everybody is listening, probably not—about just how low, frankly, some are willing to stoop.

As we all know, we will soon see a gigantic budget bill with the impossible name of ''reconciliation'' on the floor. Under the special rules, the Senate will have very little time to discuss, let alone try to alter, this mammoth Government bill. That is why I stand here today. I want to take the time to shine a piercing light on one of the darkest, most hidden and most underhanded parts of the mammoth budget bill about to land on everybody's desk.

Using that familiar label of tax relief, the provision is an attempt to line the pockets of a select group of companies, some of which I shall name in a few moments, at the expense of something as critical as health benefits for the most vulnerable, the oldest, the weakest, and the most deserving group

of Americans you could find: Our coal miners, retired, old.

It is a provision based, in my judgment, upon greed. It is a provision stuck quietly into the package—it is, in fact, the second to last part of the finance package—in a back room before it surfaced in the open just last week. It was stuck in by the majority leader.

It is a provision that has brought a shudder into the hearts and minds of 92,000 very old, sometimes very sick, retired miners, their widows, and their orphans. Mr. President, almost 30,000 of them live in West Virginia. Obviously, I would tend to care about that a lot. On the other hand, 8,000 live in Virginia; 6,500 in Ohio; 20,000 in Pennsylvania; 12,000 in Kentucky; close to 2,000 in Indiana; and, in fact, they are in every State in this country, with the exception of Hawaii, and also in the District of Columbia.

Mr. President, these are 92,000 people who were promised by employers for decades—it was not an open question, it was a done deal—promised by their employers that they could count on health care when they made their last exit from the mines, when their lungs had sacrificed enough and they could not go on, they simply could not; when they had been underground digging out the fuel that made this country the world's most powerful economic engine, when they got too old, too sick or even lost a spouse or a parent to the dangerous work of, particularly underground, coal mining, when they could hope for some rest finally in their retirement years, 92,000 of these people are still living across this country and still have a right to believe in the principle that promises made should be promises kept.

Instead, with no hearings, with no visible authorship, no announcement, a special favor for the companies—a small group of which will get the majority of the benefits of this provision, and I will name them in a few moments—this special deal for these companies which want to break their promises—was slipped into the reconciliation bill.

It is the most extraordinary and duplicitous act I can remember in the 10 years I have been in the Senate.

A favor that gets these companies off the hook, a favor that risks the collapse of the fund that ensures the promised health care benefits to the retirees in my State and in virtually every other State—literally every other State but Hawaii—in America.

This provision is outrageous. It is shameful. It is another example of what we read about in the Wall Street Journal today. I assume and hope there will be more of this. It is an article on Members of the Senate who are getting special breaks, and it lists a bunch of Senators and the deals they cut for special friends or special interests—however you want to phrase it. It is not very elegant, however one phrases it.

Mr. President, even though average Americans did not get their say in what would happen to their Medicaid benefits or their student loans or to the tax credit that rewards working over welfare, a select group of companies with lobbyists wall to wall sure got their say in this package.

A bill allegedly meant to balance the budget is tipping the scales of fairness and justice when it comes to health care for 92,000 very old retirees.

I strongly appeal to my Republican colleagues. I ask them to stop this corporate payoff before more damage is done to people who have done nothing in their life to deserve it.

It is obvious that the hope is to keep this cruel little provision under wraps, stick it on page 166 of a Finance Committee document. Hide it in the bill about to come to the floor. Do not talk about it, do not acknowledge who is responsible for this giveaway to companies.

I am here to talk about it. I will not stop talking about it for as long as it hangs around. I am not going to let the U.S. Senate become a bazaar again for greedy interests, and in particular in the case of retired old coal miners.

If one has not seen them, if one does not know them, one does not understand the emotion involved in this. They cannot hire lobbyists. They cannot prevail in a fight like this, unless they have a majority of us on their side.

What exactly does the provision do? It hands over the money that is keeping the miners' health trust fund solvent to a select group of companies that cannot bear keeping their promise to their own retirees to whom they promised health benefits, with whom there was an agreement. It is one more reminder that special interests count a whole lot more in this particular Congress—not the working people who toiled in the mine, miles underground in crawl spaces, crouched in the icy water until their backs ached and their lungs spoiled, as they dug to provide the power for our Nation's growth and prosperity.

Those workers—fathers, friends, brothers, and uncles—do not count when they are stacked up against the interests of big corporations who want to wriggle out of any responsibility for their own retirees to whom they have made this commitment of health benefits so long as they shall live.

I want to share just a little bit of history with the Senate. Almost 50 years ago, Madam President, the President of the United States, Harry S. Truman—this is important, because it gives it context—ended a national coal strike by seizing the coal mines. That action established an unprecedented relationship between the Federal Government, miners, and operators in the coal industry. In that 1946 strike right after the Second World War, health care was a central issue. It is not hard to understand why. Pensions are important, health care is everything—both for miners and for their families. Back then, people died of mining illnesses and injuries in staggering numbers. There were no safety precautions. That did not take place until we passed the 1969 Coal Safety Act. All to dig out coal for the rest of the country to grow on and become what it is today which is, of course, a great, incredible, America.

Since that 1946 strike, coal miners have traded—sacrificed—other benefits like pensions to preserve the decent health care benefits which they depend on because illness and injury are so intertwined with the nature of coal mining.

This leads up to the health program under attack in the reconciliation bill about to come to the floor. In the 1950's, a grand compact involving the President and others was reached between labor and management in the coal industry—an extraordinary sort of event.

In return for health and pension security, it was decided, labor agreed to mechanize the coal mines, thereby throwing out of work within a few years 400,000 people in the Appalachians. But in return for the mechanization was the promise of lifetime pensions and health benefits. It was a good deal all around.

Much later on the health care promised to retirees faced jeopardy, and because of the impending crisis—this is much later on—I, as a Member of the Senate, worked night and day for months and months on end to find a way to shore up the health fund and extend its solvency.

I cared passionately about working this out. That led to the passage of the 1992 Coal Industry Retiree Health Benefit Act, simply known as the Coal Act.

Coal miners helped to create the might of modern industrial America. Nobody would dispute that. They fueled our progress. In 1992, when we passed the Coal Act, unanimously, without a vote, and through bipartisan negotiations, in a solution which was suggested by President Bush and his White House, and the law, of course, was signed by President Bush, we told those miners that their tremendous contributions and sacrifices mattered, and the promises made to them would be kept.

Action had to be taken. That became clear in the late 1980's. That is because the dwindling base of contributors resulting from bankruptcies and the failure of some companies to keep paying into the fund, just walking away from their responsibilities, put the miners' health trust fund in jeopardy.

When a strike broke out in 1989, then-Secretary of Labor Elizabeth Dole appointed a mediator to assist in a settlement. When the settlement was reached, she announced the appointment of a commission to recommend a long-term solution to the health crisis in this fund. That commission became known as the Dole Commission.

Secretary Dole explained that during negotiations of the settlement of this strike which involved at that time one

single company, ''It became clear,'' she said in the unanimous report, ''to all parties involved that the issue of health care benefits for retirees affects the entire industry.''

She went on to say, ''A comprehensive industrywide solution is desperately needed.''

Secretary Dole's Coal Commission submitted its final report in November of 1990. The Commission observed that health benefits are an emotional subject in the coal industry, not only because coal miners have been promised and guaranteed health care benefits for life, but also because coal miners in their labor contracts have traded lower pensions over the years for better health care benefits.

In fact, in the solution that we reached in 1992, the miners contributed something like $210 million from their pension funds to the solution to protect their health benefits.

Something else that the Coal Commission said:

> Retired coal miners have legitimate expectations of health care benefits for life. That was the promise they received during their working lives. That is how they planned their retirement years. That commitment should be honored.

Close quote, the Dole Commission.

The Dole commission also considered the fairest way to ensure that the health fund did not collapse. The base upon which it was funded was getting more narrow. Therefore, there had to be a broader solution. They recommended that companies that employed miners—current signatories, so to speak, and former signatories alike—share the costs of providing benefits to miners whose employers went out of business. And, in the words of the Dole commission, the best way to finance the health benefits promised miners was the ''imposition of a statutory obligation to contribute on current and past signatories, mechanisms to prevent future dumping of retiree health obligations.''

(Ms. SNOWE assumed the chair.)

Mr. ROCKEFELLER. It was hard. And at that time we ran up against, to be quite honest, Madam President, President Bush's so-called ''read my lips'' problem. What the Dole commission was talking about was a tax on coal companies. The President said, ''This is not acceptable.'' So he came in with the solution that became the Coal Act, upon which everything is based today and which is being undermined in the reconciliation bill about to come before us.

Collective bargaining cannot work when companies are not around to bargain with because they are bankrupt, perhaps, or have walked away from their responsibilities, sometimes through legal loopholes which created dozens of conflicting court decisions. Moreover, the orphaned retirees whose last employers were gone faced the prospect that when the collective bargaining agreement expired in 1993, no one would have been responsible for their health care. And that was the fact. The Bituminous Coal Operators Association was going to just cease to exist, and there would be nobody to pay for any of the health benefits. Whereas this small group, 25 percent of the coal industry, was paying for 100 percent of the retirees of all coal companies, and that patently was not fair.

So, the Miners Health Program, with the shrinking funding base and spiraling costs, made continuation of the old program unworkable, hence the task Congress and the administration faced in 1992, when we did pass, unanimously, the Coal Act. That was the best that we could do to assign responsibility for funding the health program, recognizing that there was not then nor is there now any perfect solution.

So, in 1992, Congress met its national responsibility to protect miners' health benefits. I was proud to offer that legislation—again, the Coal Industry Retiree Health Benefit Act, or the Coal Act. It was attached to the Energy Policy Act of 1992. I worked on that legislation with an outstanding group of Members whose invaluable contributions were essential to securing passage of the act, my esteemed colleagues Senator BYRD, Senator FORD, and Senator SPECTER. Senator Wallop was absolutely crucial. The Senator from Wyoming at that time was absolutely crucial in the passage of that act, and others from the Finance Committee and the Energy Committee. The Coal Act would not have become law without their work and without strong bipartisan cooperation, which is what has me so perplexed now.

We did our work, and miners' benefits were saved and that makes me proud. Now those miners, today, on average are 73 years old. Most worked in the mines for 20, 30, or 40 years or more. People have no idea what that means unless they have been around coal mining. Every day they rode a rail car a mile underground, stooped in crawl spaces 4-feet high with ice water up to their knees, and made their mines productive and made their employers rich, for the most part. For them, the legacy of that work is black lung.

People say they can get by on black lung. Black lung is a totally different subject, and only about 4 percent of miners are granted black lung, even though I firmly believe that anybody who has been in the mines for 8, 9, or 10 years, by definition has black lung. They have black lung, asthma, cancer, back pain, chronic respiratory disease. Their health benefits remain a matter of life and death to them, Madam President. The most serious of subjects in the most dangerous profession. And now, in this new amazing Congress, a sneak attack has been made on the health care security that was finally restored in 1992 for miners and their widows and orphans. And, Madam President, it is not a secret attack any longer.

The companies that would profit, which would get 60 percent of the benefit of all of this, have been hiding behind little coal companies so as to make it look like little coal companies were going to take all the hurt. The ones who are going to get 60 percent or more of the benefits of the finance provision are Allied Signal, North American Coal, LTV, Pittston, A.T. Massey, and Berwind Coal Co. Those six have manipulated, through dozens, scores of lawyers, to the point where they could put into the reconciliation bill something that will yield them a $33 million windfall.

The provision in this bill is a gift for these big companies looking for a way to walk away from their promise made to these miners nearly 50 years ago. These companies have spent millions to unravel the Coal Act, to renege on their promises. So far they have not succeeded in robbing miners of a single day of health coverage, but they have not stopped trying. I thought this was all put to bed, it was all history. As I said, people did not want to do it in the Finance Committee. I do not think any Republican members in the Finance Committee really wanted to do it. It was just put in there. I think it was put in there by the majority leader, and their patrons slipped just what they were asking for in the reconciliation bill approved by the Finance Committee and now part of the package about to come to the floor.

The day after the Finance Committee reported out their handiwork that demolishes the health security of over 92,000 miners and their widows for the sake of a few of the biggest and most profitable companies in this country—I will not give you their profit levels, but they are extraordinary—I went back to West Virginia. I would say to my esteemed colleague from Minnesota, I am almost finished. I went back to tell miners and their wives what happened.

The miners I met with were tight-lipped. This was this past weekend. They were tight-lipped, as miners tend to be under all circumstances, especially older miners who have seen it all—strikes, cave-ins, shutdowns, layoffs. They have learned to accept a lot in life.

I remember, once I had a friend who fought in the Second World War in the Battle of the Bulge. He and I served in the Peace Corps together and I tried to get him to talk about it. He would not talk about it. He would not talk about it. Miners tend to be like that.

They have seen their coworkers killed, mangled, dismembered. They have lost limbs, they have lost their breath, but they have kept their faith and they have kept their health care benefits, but they do not have a lot to pass on to their families.

Until the Senate Finance Committee action, you know, then they had their health cards and knew their health

benefits were going to be safe and secure. I had to tell them about a document that appeared on Monday, that was debated by the Finance Committee on a Wednesday, that was approved by its Republican members on Thursday, full of tax breaks for every conceivable special interest. But on page 165 and 166—those are the pages I care about—the very end of the package containing the Cracker Jack prize for all of the companies that want to renege on their promise to their retirees.

One miner, who worked for decades in the mines, told me starkly, he said, ''I am worried to death.'' He said, ''Now it seems like the company is the one running the whole show.''

He is right.

''They want to do away with us when we were the ones who worked and built everything else.''

He is right.

Bude Jarvis, one of the miners, asked me, ''What's going to happen to me if I lose my benefits?'' And he answered his own question, ''They'll probably just put me in the grave before my time.''

Another miner, worried about his diabetic wife—diabetes is common—he said, ''If I had to buy her medicine, I don't know what would happen. I could not afford to.''

Today retired miners' health benefits pay for prescription drugs. That is one of the beauties. They are on Medicare but Medicare does not pay for any of that stuff.

These are people who will have taken a dozen different kinds of pills by lunch because of their ailments. So when it comes right down to it, this provision is about one thing. Old coal miners and their widows being ground up in the legislative process like hamburger while the lobbyists cut them up.

All the jockeying, the lobbying, the lawyering, and the loophole making behind this provision, who pays, who does not, who profits, by how much—it is so much legal mumbo jumbo to a retired miner. He does not get into those things, nor does his widow.

When a retired coal miner who has worked for half a century underground in the most dangerous profession in the world by far—by far, Madam President—cannot count on the health care that he was promised decades ago by this Federal Government, and by the companies that richly profited from his labors, then we have made the word of this body worthless—worthless—and will have made contracts worthless. If the Senate and society do not say that the contract that guaranteed miners—guaranteed miners and their widows—benefits is worth keeping, then how can we trust any contract? A contract is not anything to an average American if he needs a bevy of lawyers to make it count. That is supposed to be a problem in countries which are struggling to work their way out of dictatorships and Communist economies. A contract is not worth anything if it is only good until some special interest with political connections can take away what you were promised while elected representatives, including perhaps your own, turn their backs.

Promises made should be promises kept, whether you are a coal miner, or a teacher, or a computer technician, or a nurse, or a politician, or a plumber. Promises made should be promises kept.

The Senate still has a chance to reject this giveaway to select companies trying to profit at the expense of 92,000 retirees, widows, and their orphans. They are dying at the rate of 6,000 a year. Ninety-two thousand are dying. When we passed the bill, there were 120,000. Now it is 92,000. They are dying.

We know the budget reconciliation bill will pass with virtually every Republican vote. I hope I am wrong on that. We know that the process is stacked so that the bill cannot be filibustered. But my colleagues on the other side of the aisle can stand up for the people in their own States and the principle of keeping promises.

And I close with this. My colleagues on the other side of the aisle who heard the call of Secretary DOLE's Coal Commission for a fair solution and helped me pass the bill to rescue the health fund can heed that call once more. To anyone who says America's crisis is about values, this is the chance to turn those words into deeds. This provision that mocks the basic value of keeping promises and attacks the health care of 92,000 retirees should go, Madam President. It should go. And, if it does not, those of us on the other side, in West Virginia and across the country, will not give up. We will not, and we cannot, as I am sure the Presiding Officer understands, be still.

I thank the Presiding Officer. I thank my distinguished colleague from Minnesota who must think that I took considerable advantage.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Madam President.

Madam President, we are beginning a truly historic week. With a vote approaching on budget reconciliation, Congress is ready to set this Nation on course toward a balanced budget. We are also ready to offer working-class Americans relief from a Federal tax burden that is crushing them and their families.

The legislation we will approve this week is nothing short of revolutionary. The desperate attempts of my colleagues across the aisle to discredit the revolution are nothing short of pitiful.

For several weeks now, we have had to listen to baseless statements made on the floor of this Senate about the budget reconciliation package, the kind of statements that in Minnesota we call fish stories.

Now, I hate to waste a lot of time in answering such ridiculous charges, but in Washington, things that get repeated three times somehow become fact, especially in the minds of the liberal press, who will carry these charges as fact.

My colleague, the junior Senator from California, was on the floor last Friday, getting in the last words before the weekend, and claimed Speaker GINGRICH had made a deal with people making over $350,000 a year to give them a huge tax break but they had to settle for $5,500 back instead.

The good Senator should first of all be held accountable for making such a ridiculous, baseless charge.

''Where's the beef?'' Where is the proof to back up such outlandish accusations?

What she failed to say is that the Republican tax relief plan has been scored with nearly 75 percent of our $245 billion in tax cuts going to working-class families with incomes under $75,000.

So why would she pick out the figure of 350,000? The answer is class warfare. It is an old trick our opponents have perfected in 1995: if you are not right, try divide and conquer. Scare people into believing things that are not true, or at best half-truths.

The good Senator from California also spoke about Medicare and trustees' report warning the Medicare Program would be bankrupt by 2002.

She was right when she said nearly every year, the Medicare trustees issue a report naming a date when the system faces default.

But again, she failed to mention that this year, the trustees urged Congress to act quickly to save the system and stave off bankruptcy—to lessen the impact it will have on the hard-working families who pay the taxes to support it. And besides, that is no excuse to do nothing.

My colleague said the Medicare system has been faced with the same problem many times, that Democrats have made some tough decisions, but have extended the life of Medicare each time.

But again, she did not tell the American people that the seven times the Democrats faced those ''tough'' questions, their answer was to raise taxes on working Americans.

Seven times they raised taxes in the last 30 years to keep the program going. Doubling, tripling, quadrupling your withholding taxes * * * and then doubling it again and again. Rather than finding a way to save Medicare, improve it, and hold down the costs, they would advocate a tax increase.

That new tax, of course, would have to amount to $388 billion over the next 7 years, $388 billion in new payroll taxes—to feed this huge Government machine * * * a machine we cannot control now * * * a bureaucracy that is so out of control there is no efficiency, only billions in waste, fraud, and abuse.

But hey, it is only the taxpayers' money, not mine. Put it on the taxpayers' credit card, they say.

Funny, the Democrats never seem to have a problem in raising taxes, taking money from you and me * * * but ask

them to support a tax cut, and they will rush to the floor in a flood of protest. They just cannot stand the pain of not being able to give away more of your dollars. They want to raise your taxes so they can be compassionate and give it away.

But Mr. President, that is not compassion. That behavior is greedy and power grabbing.

For over 40 years, the Democrats have been inviting people to dinner, and using the American taxpayer as the credit card to pay for it.

I also heard the Democrats say they have the resolve to balance the budget, but would do it in a ''more reasonable'' way, with ''more compassion.''

The last 40 years, however, tell us how they would do it: Raise taxes, give away more money, raise taxes, give away more money.

Again, watch out for that word ''compassion''—it means they want more of your hard-earned dollars so they can spend it.

The President says he has the resolve to balance the budget, but he does not have a balanced budget to offer.

The outlines he has put on the table have never come close to balancing the budget. They leave $200 billion-a-year-plus deficits as far as the eye can see.

And what about the so-called balanced budget plan the senior Senator from North Dakota has proposed, the one my Democrat colleagues say is the answer.

Again, their answer is always more taxes, and my colleague's budget is no different.

I have a chart here just to compare 1993, 1994, and 1995—the Democrat budget and answer, and the Republican budget and answer. You can see in each year—1993, a $251 billion tax increase by President Clinton, the largest in history; Democrats in 1994 continue more taxes; in 1995, under the plan of the Senator from North Dakota, he would want to raise taxes another $228 billion rather than giving back $245 billion in tax cuts.

His budget would supposedly balance without inflicting pain on millions of Americans, unless, of course, you include those who get up and go to work every day, the taxpayers of this country. There apparently is no pain in working longer hours to pay more in taxes.

The budget offered by the Senator from North Dakota would pick your pockets to the tune of over $500 billion-plus, in additional taxes over the next 7 years. Imagine, rather than supporting a tax cut of $245 billion, their plan would be to raise another $228 billion from American taxpayers.

If the growth of the Federal budget is not reduced and spending continues to increase, you need more dollars to feed the spending fire, and that is where you, the taxpayers, come in again.

The Republicans have a plan that will balance the budget—eliminate the deficit—by the year 2002.

Now, they say our plan will cost students more to go to school, cost families more for everything from food to clothing to shelter, the elderly will pay more for Medicare, nursing homes, et cetera.

But let me ask you a simple question: if we cannot afford it as individuals, as families, as a society, how can we afford for the Government to do it for us?

The money has to come from somewhere.

The Government creates no wealth—it only reallocates it, redistributes it. If we do not have the money to pay the bills that need to be paid, how can we afford the taxes Washington wants in order to do it for us—to be compassionate?

The Senate Democrats do not hold a monopoly on compassion. Liberal or conservative, Republican or Democrat, I think most of us came to this Chamber out of deep compassion for our fellow Americans.

We want nothing more than for every American to have the opportunity to be successful, no matter what that means to each individual. As Edward Deming, the Father of the Japanese industrial revolution would say. We need a ''Win-win'' solution. We do not want losers in society, or those left out. We want winners. We are all better off with more winners.

But somehow, according to the senior Senator from California, if you make $350,000 a year, you do not deserve it, because you have somehow gotten it illegally or unfairly.

Or if nothing else, it is just not right that you have it.

And if you do, the Government should step in and take it away—whatever amount it deems ''fair''—and give it to those the Government thinks deserve it.

There are individuals in this country that need our help and we are spending nearly $1.6 trillion this year to try and meet those needs the best we can, without destroying the very fabric of our society—our families and our job creators—to do it.

But the rhetoric that spending is being reduced so the money can be funneled into huge tax cuts for the wealthy is a sham.

The whole argument is being presented in this manner to drive your attention from the facts to the fiction, the shell game, the con man, the snake oil salesman, the Democratic opposition.

President Clinton himself is guilty of this budgetary double-speak.

The President raised taxes in 1993 by $251 billion.

Of course, we all know that last week, he told a crowd of fat cat contributors at a $1,000 a plate fundraiser he knew they were mad and he admitted he raised taxes too much, but said it was the Republicans' fault because they would not help him stop the Democrats from spending more money.

He had to raise taxes, he said. But the next day, back in Washington, he blamed that statement on being tired, reiterating his point that ''no Democrat in his right mind would ever propose cutting taxes, or saying they had raised them enough.''

They do not want the taxpayers to keep more of their own money. They do not trust you to spend it wisely.

Who knows, you might ''waste it'' on food, clothing, shelter, a vacation, or by saving it for your child's education.

''Send it to Washington and we'll be compassionate with your hard-earned money,'' they say. ''Let us take care of you.''

The kind of care offered by the Democrats is suffocating the American people.

To stop the suffocation, we are ready to cut their taxes, and I need to remind my colleagues across the aisle that tax relief is not dessert.

Congress has been eating the taxpayers' dessert for the past 40 years. And the American people have been left only gruel to eat.

Finally, when the opponents of change resort to class warfare, when they resort to statements like, ''champagne bottles are being chilled in penthouses all across the country—except in those where someone has a conscience,'' well, that is nothing but the desperate cry of a dying liberal agenda.

I cannot afford champagne, but that is OK because I do not like it anyway. When I get back to Minnesota this weekend, I am going to put some beer in the cooler.

And like millions of Americans across this country, we are going to celebrate a small victory over this powerful Government machine, because the people know they will be able to keep $245 billion of their own money, to spend the way they want, rather than giving it to those who claim to be compassionate.

And we are going to say this is only the first in a long line of victories to come.

The PRESIDING OFFICER. The Senator's 10 minutes' time has expired.

Mr. GRAMS. I thank the Chair.

Mr. KERRY. Madam President, what is the legislative status at this point?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. KERRY. I thank the Chair.

The PRESIDING OFFICER. Statements are limited to 10 minutes.

Mr. KERRY. I ask unanimous consent that I be permitted to proceed for such time as I might consume.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

FOLLOWING THE BUDGET DEBATE

Mr. KERRY. Madam President, I listened with interest to the comments of my friend from Minnesota, and I guess in a way as I listened to him I sort of felt sorry for Americans who try to follow this debate. It is going to be difficult because the rhetoric flies fast

and furiously, and a lot of people evidently are going to have difficulty trying to figure out what is really true and what is not true.

The Senator from Minnesota talked about the amount of taxes that were raised in 1993 and what a terrible thing it is the Democrats have perpetrated on the country. But the truth is—the truth, which often gets hidden in these debates—yes, taxes were raised in 1993, but only on 1 percent, the upper 1 percent of Americans, and that for 98 or 99 percent of most Americans taxes went down. The burden of the average working person went down in the United States.

So when our Republican friends come to the floor and start lamenting the 1993 bill that gave this country a continued economic growth—I might add 7.5 million jobs added to the economy of this country in the last 3 or 3½ years compared with about 2.5 million during the entire 4 years of the Bush administration—that 1993 bill raised taxes only on the very wealthiest 1 percent of Americans, and yet our friends keep coming to the floor in defense of that 1 percent. And that is really what divides our parties at this point in time.

Certainly, we are not divided by a desire to have a balanced budget because the vast majority of Democrats voted for a balanced budget this year. I voted for a balanced budget that will take place in 7 years. We did cut Medicare. We did cut Medicaid. But we did not turn around when the country has an extraordinary deficit problem and give back to people individually what amounts to a very small amount of money. I believe it is something like $1.69 a week that most people in America will get with this famous $500 tax credit that everybody is going to get, which incidentally does not go to everybody. The truth is that while our Republican friends talk about a $500 tax credit for every family in America, not every family in America will get that $500 credit because it is only a credit against income tax. The biggest tax that most Americans pay is the payroll tax. And for workers at the low end of the income scale, they are not going to get the benefit of that $500 income credit because it does not show up in their income tax. So it does not go to every family in America—another one of the deceptions in the rhetoric that people hear.

We have heard a lot about how we are going to put taxes back in the pockets of Americans, but the CBO itself, which we keep hearing quoted by our Republican friends, will tell you that the Republican plan raises taxes on 49.5 percent of Americans. If you are earning $30,000 or less, you have a tax increase in the Republican reconciliation bill. For 17 million American families, a tax increase, an average tax increase of $352; for about 7 million families, if you have a family of two, it is about a $400 increase; for 4 million some families with one child it is again about a $410 increase, and for a family with no children, it is about a $300 increase. That is just the reality, a tax increase for $30,000 and less; a tax break for $350,000 and of over $5,600 a year.

Now, the last time I looked, I really did not think that somebody earning over $350,000 a year really needed that $5,000 tax break this next year if it is at the expense of somebody earning $30,000 or less.

Now, somehow in this country a fundamental notion of fairness has been distorted, and somehow, unfortunately, not enough Americans get the facts or the truth of what is happening. Mr. President, today I stood up with Senator JOHN MCCAIN of Arizona, Senator FRED THOMPSON of Tennessee, Senator RUSS FEINGOLD of Wisconsin, and we offered some $60 billion of cuts that could be made in the budget that are based on fairness and common sense.

One of them, for example, is this now infamous program called the Market Promotion Program. Now, we had a vote on that, and we lost. It does not mean we should not offer it and offer it and offer it until we finally win, as we did on the wool and mohair subsidy; as we finally won on the ALMR, the advanced liquid metal reactor; as we finally won on the supercollider, which the Senator from Arkansas and others fought so long to get rid of; as we finally won on the mink subsidy.

Sometimes it takes time for people to understand the full measure of common sense the American people are asking us to exercise. But the fact is, the Market Promotion Program—how do you turn to the average American and say, ''We're going to ask you to pay more in your premiums in Medicare, we're going to cut working families off of Medicaid, we're going to cut school lunches and take away science research that produces more jobs for the future, but we're going to continue to let the Gallo Wine Co. get a subsidy from the Federal Government to sell its wine abroad, we're going to continue to let Japanese-made underwear, that happens to be made with American cotton, be advertised abroad, we're going to continue to allow major companies like McDonalds to be able to sell their products even though they make money''? They all make money. We are going to tell a senior citizen on a fixed income, ''You pay more, but we're going to help these companies that are making millions of dollars to sell their products.'' It does not make sense.

I am not saying that in an ideal world I would not love to help our companies sell abroad, but we are living in a very tough world now where the average family in America, on a daily basis, is being asked to make tough decisions. ''Can I buy clothing for my family? Can I afford to take a vacation? Can I send my kid to even the parochial school where there may be a $4,000 or $5,000 tuition, let alone to a private school''?

There is not a parent in America who does not feel the implosion of the school system around them, who is struggling to get their kid the best education possible. And these folks know that on a daily basis they are making decisions that are based on what they can afford and what they must get for their survival and for their kids' future.

We ought to be making the same decisions here in Washington. What do we need? What must we provide for the American people? Must we provide a market promotion program when we are cutting people from a hot lunch that might be the only meal they get a day that is hot? Must we provide the Gallo Co. with an additional subsidy to sell wine at a time when we are asking senior citizens on a fixed income to tighten their belt and pick up more of the cost of absolutely predictable medical costs or in a time when we are telling certain people that they have to sell their home and go into poverty in order to qualify for the health care that they may need? It just does not make sense.

You know, we woke up this morning to the umpteenth statistic of violence in the city of Washington. A young diplomat's son, sitting on the doorsteps of his home on Massachusetts Avenue, blown away, dead. That is an act of repetition that occurs in this city every day. And it occurs in New York, in Boston, Los Angeles, Detroit, Miami, you name the city. And it does not have to be a big city. All over this country today the acts of random violence are increased. And where are the police? Where are the police? That is something we must do in America, is put more police on the streets.

But instead we are going to build B–2 bombers. Even though the Pentagon does not want the B–2 bombers, even though the Pentagon never submitted a request for the B–2 bombers, even though Boris Yeltsin and President Clinton are meeting, talking about the cooperation of former Soviet troops now Russian troops in Bosnia. We are building B–2 bombers. For what threat? For what reason? The military did not even ask for an additional $6 or $7 billion. But this budget provides it, and provides it even while they are asking all these folks below $30,000 and all these other folks to tighten their belt.

Mr. President, it does not make sense. And in the next hours, as we debate this, and in next days as Americans come to confront the realities of this budget, America is going to understand it does not make sense.

Now, I keep hearing my colleagues say, ''Well, what do you guys want to do? You just want to continue the deficit? You just want to spend more money? You just want to build up the debt of this country?'' The answer is no. We voted this year for a balanced budget in 7 years, but we did not do it at the expense of asking education costs to rise, we did not do it at the expense of trying to make life miserable for those for whom it is already hard enough to find a job and break out of poverty. We did it by fairly deciding

that you should not give this enormous tax cut to those who least need it at a time when you are complaining about a deficit and the debt of this Nation.

The Wall Street Journal the other day had an article that showed that even under CBO's own analysis, this ''reconciliation package,'' as it is known, will add to the debt of this country over the next 7 years, add to the debt service of the country, and that it will, indeed, raise taxes on people.

Jack Kemp came before the Small Business Committee just last week, and he said, ''I hope you guys''—referring to those in the committee—''will not cut the earned-income tax credit, because if you do, that is a tax increase.''

Ronald Reagan called the earned-income tax credit the greatest antipoverty program, profamily program in this country. What is happening in the next hours is that $43 billion will be cut from the earned-income tax credit which will make it harder for people at the low end of the income scale to do what so many people on the other side of the aisle talk about, going to work, making work pay, living out the values of work, and being able to break out of poverty.

Here we are taking this extraordinary program that Republicans and Democrats together voted to support in the past years, and cutting it. Mr. President, in the next few hours, in the next 2 days of debate and 1 day of just rapid-fire voting, because of the situation the Senate finds itself in, we are going to be debating on what I call the antivision, the counter reform 1995 reconciliation act.

I know one thing in the midst of this debate, Mr. President. The American people want to put this country back on track. They want, and they deserve, a balanced budget. They want, and they deserve, a reduction in the deficit. But they also want us to exercise common sense in a way that is fair and that talks and thinks about the future of this country.

What began in January of 1995 as an effort to work on a bipartisan basis to achieve change, Mr. President, has regrettably turned into a very partisan war of rhetoric and, I think, even some deception. Why do I say ''deception?'' Because under the guise of saving the Medicare Program, we have colleagues who have basically misled the public by calling for a massive change to Medicare that will increase the out-of-pocket costs to seniors. It will result in hundreds of thousands of health care jobs lost. And it will also change the fundamental relationship of seniors to their health care delivery system, while at the same time telling them they are going to get more money.

Mr. President, what is the deception in that? Let me be very frank, very straightforward. The deception is that all seniors know, because they also listen to the trustees, that the trustees did not describe a $270 billion problem.

The trustees described a $90-billion problem. I agree there is a $90-billion problem. But everybody understands that the real deception here is the effort to take a $90-billion problem and turn it into a $270-billion solution so that you can give a tax cut to the folks who least need it.

I might add that one of the great acts in turning the table topsy-turvy was last year with Harry and Louise. Remember how everybody argued about, ''Gosh, we don't want the Government telling you what to do, and we don't want people to have choice taken away.''

And here, all of a sudden, is a formulation for Medicare that is the Government telling people what to do and narrowing their choices by requiring that they go into a certain kind of managed care as the only means of providing the savings that they are providing.

What is equally egregious is, we keep hearing people say, ''We're not cutting Medicare; we're just slowing the rate of growth. It is still going to grow. There is still going to be a fixed amount of money additionally that everybody is going to get each year.''

So with that sort of great statement, that bond, that verbal bond, everybody is supposed to feel good: ''Wow, I'm going to get an additional $2,000 over the next 7 years.''

But the difference is, Mr. President, and everybody knows it, when you have a fixed amount of budget available and the costs of Medicare are going up at a fairly steady rate, even if you diminish that rate to what most people would accept as a reasonable rate of increase, the population is growing, the population of seniors in America is growing at a predictable rate.

So you take this fixed pot of money, say to everybody, that fixed pot of money, even growing a little bit, is going to have to take care of the same costs as it did the year before, even though the costs are increasing, and it is going to have to do it for a larger population.

Ask anybody in elementary math, any school in America and even with the problems we have in math in America, I believe they will understand that with a fixed amount of money, a growing population, increased costs, you have a problem in delivering the same level of care. That is why they want to take the standards off the nursing homes, because if you take the standards off the nursing homes, people can deliver nursing care without a registered nurse. We can have a turning back to the time when people were strapped in wheel chairs and where they were just, basically, drugged out as a means of taking care of people. We can step back, and that may be the antivision that a lot of our friends are expressing here. It is certainly a form of deception.

Mr. President, at a time when this country is desperately in need of serious tax simplification, a tax simplification that really cuts tax rates for all Americans and American businesses, the Republicans are increasing taxes on the middle class and increasing the number of loopholes for business, contrary to the very reform effort that we tried to put in place in 1986.

The Republican antivision, counterreform, tax-and-spend legislation sends a clear and unequivocal message to middle-income Americans across this Nation, which is: ''You're really not that important.''

How else can you explain to people who earn $30,000 a year, who comprise just about 50 percent of the people in this country, why it is that their taxes are going to go up? Nowhere in the legislation that will come to the floor tomorrow is there a demonstrated commitment to the 2 million Americans who work slightly at or above the minimum wage. Nowhere is there a clear commitment to continued environmental cleanup and the progress that we have made over the last 25 years, and for the working mothers of this country who cut the strings of welfare dependence and sought and secured employment.

This legislation is saying to them that it is going to remain silent and even absent from helping them by proposing an increase in the minimum wage that has gone down now to a 40-year low level. For middle-class families that have an aging parent living in a nursing home, we may now find that those young people who once thought that their mothers and fathers were taken care of are now going to help them with the costs of care. And having already bankrupted the elderly nursing home resident because of the requirements we have, we are going to place additional burdens on their children.

In contrast to that, the wealthiest Americans will reap a substantial bonus from this legislation. The richest 12 percent—and I do not want to get into a class distinction here, but fair is fair and we have to measure the notion of fairness.

The fact is that at the upper level of the income scale, the upper 12 percent are going to receive a whopping 48 percent of the tax benefits, and people with annual incomes greater than $200,000 are going to find their taxes decreased by over $3,400, and the 13 million families that earn more than $100,000 annually are going to enjoy a new tax break of $1,138. I do not know how you explain that when the other people are paying more taxes. I do not know anybody who can argue that that is a sensible idea of tax equity or tax fairness.

In the end, if you look at the various breaks that are continued and loopholes that are created, there is, in this reconciliation bill a new definition of welfare reform for those who are at the upper end of the scale, and I think it is part of a deception, or a counterreform, if you will, that literally turns back the clock to the time before we learned

in this country that you needed to have a Government that was willing to respond and make a difference in people's lives.

It strips away those protections that were developed through harsh and bitter experiences, through the Depression years and through the long years prior to the Depression where we began to understand what abject poverty and racism did to the Nation. We learned that you needed a response. All we hear about is the failure of that response, even though, in fact, most people who dispassionately and apolitically analyze it will tell you that it is not that so many of those things have failed, it is rather that they have not been permitted to be completed or to go to fruition.

Maybe this is what the real Contract With America is all about, Mr. President, creating a lesser America for those who are struggling at the middle and lower end of the scale and then increasing privilege for the few.

The statistics on what has happened to income in the last 13 years dramatize this. From 1940 to 1950, 1950 to 1960, 1960 to 1970, 1970 to 1980, everybody in this country saw their income grow together. If you were at the lowest end of the income scale, the lowest 20 percent of Americans during that period of time, your income went up in the area of 138 percent every 10 years. If you were in the upper end of the income scale, your income went up in the area of 98 percent. That is not a bad balance. But from 1980 to 1993, the income of the lowest 20 percent of workers went down.

Over a 13-year period, the income of the lowest 20 percent of Americans went down in the area of 17 percent. The next 20 percent, their income went down in the area of 4 percent. The middle two stayed the same, but the top quintile of America went up in the area of 105 percent. That really is the story of what has happened in this country in the last 13 years.

Not very long ago, Speaker GINGRICH talked about creating an ''opportunity society,'' as he called it—a society where problems would be turned into opportunities, where Americans of all ages, ethnic, or racial backgrounds would be afforded equal opportunity.

Well, Mr. President, that rhetoric should be measured against the reconciliation bill we will debate in the next hours—a reconciliation bill where we see spending on middle income and average Americans decrease, where we see an increase of taxes on the middle class, an opportunity society that has really been left to the ''haves,'' and for those who have not, the opportunity is clearly going to continue to escape their grasp.

Ironically, the choices made in this budget make some very, very strange and even bewildering opportunities. I do not think anybody wants the opportunity to drink dirty water. But for the first time in 5 or 6 years, the Federal share of helping Boston clean up its harbor and relieve the rates—what are now the highest rates of water in the country—is going to be diminished—diminished even from what President Bush was willing to give it.

I do not know anybody who wants the opportunity to go to school without books or even be able to go to a decent school at all. But the chapter 1 education assistance and the Goals 2000 is going to be stripped away. I do not know anybody who thinks it is an opportunity to eat contaminated meat, but we saw that proposed in the course of this last few months. And even the taking of unsafe medicines—is that an opportunity?

So how do our Republican colleagues come to the floor and tell the American people that opportunity means cutting cops on the streets, when children are being shot in cold blood on some of the streets of America. How do they say it is an opportunity when they raise $43 billion in taxes on low-income working Americans, who are struggling to make ends meet on what Ronald Reagan called the best anti-poverty, profamily program in America and give a $245 billion tax break to the wealthiest Americans while increasing the national debt in the process?

How is it an opportunity for students when we cut $11 billion from student loans and then increase the amount of taxes their parents are going to have to pay? In fact, Mr. President, over the course of the next 7 years, this reconciliation bill is going to now end the direct loan program for maybe 50 percent of the schools in this country that have entered into that program in the last few years. It is going to raise the burden on the average American borrowing money in order to send their kids to school and put that money through the tax benefit in the hands of the banks and the lenders even though it has been one of the most successful door openings to the information age that we ever could have anticipated.

What kind of opportunity is it when this budget cuts $182 billion from Medicaid, but leaves intact an $11 billion international space program? What kind of opportunity do seniors get when our Republicans colleagues have chosen to cut $270 billion from Medicare and give the Defense Department a $6 billion bonus—money that it did not even request?

What do I tell the people of Massachusetts when, if these Medicare cuts hold, we lose 129,000 health service jobs, when the State loses 4 percent across the board in general fund spending and has to make up for the $1.3 billion loss in Federal aid. When seniors in Massachusetts have to pay $1,000 more per year for Medicare and the interest on student loans for 4 years of college goes up $3,000? What do you say about opportunity in the face of the largest income earners in America getting a tax break?

I was here in 1986, Mr. President, when we voted for the biggest tax decrease in the history of the country. We took the rates down to 28 percent and, for a few people in the bubble, 33 percent. We have been giving tax breaks to all Americans across the board. But in the face of these other reductions, it is unconscionable to suggest that that represents a definition of opportunity.

Mr. President, I really think there is a reform agenda which we could have embraced in a bipartisan way, and I reemphasize that there are many of us on both sides of the aisle that I know could have found a common middle ground here, if politics and ideology and hot-button pushing did not put such a premium on the agenda of the House and on some who were elected in 1994.

It seems to me that what we are seeing here is a program that, not intentionally—although, in some I am not sure—turns out to be anticommunity, even antipeople, certainly anticommon sense, in the context of the real agenda of this country. When those who espouse that agenda choose not to fund a successful program like YouthBuild in Boston—when they strip youth employment opportunities and educational funds that can keep kids in school or give kids structure in their lives—that disempowers communities and prevents people from helping themselves.

We hear an awful lot of talk in the U.S. Senate about values, and we hear a lot of talk about family; but the truth is, Mr. President, that 36 percent of all the children in America today are born out of wedlock. The truth is that you can go into any community in America today and find kids who talk with a level of anger and alienation unlike anything any of us have ever known historically. The truth is that these are kids who do not have contact with church or school or parents. That is why they are in trouble.

Now, we can talk about values all we want. But if somebody does not have some contact with that child, ages 9 to 16, where are the values going to come from? Most of us would come to the floor and extol the virtues of the Boy Scouts, Girl Scouts, Brownies, boys and girls clubs, YWCA's, YMCA's. But the truth is that, for the vast majority of the children in this country, they are just not available. Who is going to provide the structure? Or are we going to wait until we are forced to spend $50,000 a year to incarcerate that new felon?

I keep hearing my colleagues perpetuate one of the great misstatements and myths of American politics today. They sweep every one of these efforts to reach children under the same rug. They brand it all with one great sweeping brush and say, ''The liberal programs of the past failed.''

But the truth is, Mr. President, that I can show you thousands of young people across this country who are working at jobs today, who are graduating from college today because one of these

entities intervened in their life, whether it was a City Year, YouthBuild, or a host of other entities. I know a young man who graduated—I do not know him not personally, but I know of him—and I have seen his curricula and history, in the context of YouthBuild, extolled for having graduated from Rutgers this past year. He came out of the streets through a YouthBuild program and saved his opportunity. I know a young woman currently working as a project manager on the Boston third harbor tunnel project in Boston. She came out of gangs and drug use and a prison record, or at least a court-associated record. By virtue of this program that entered her life where there was no parent, where there was no affirmation, she got it from the friends that joined her in this effort to save their lives.

Much of that is being done away with, with this effort by the Republicans.

There are many of these efforts that are enormously successful across the country, Mr. President, and we should not have to fight for basic support to have a successful program to give some of these kids a chance.

I think that what we need is a positive vision for a truly progressive revolution in this country that reforms the Government, and not just a negative vision that is guaranteed to take us back to darker times. The right choice is to empower communities to come together to do what needs to be done and to help them do it.

I am not in favor, nor am I coming to the floor, to advocate that we should stay with the old programs that have failed. I am not even coming to the floor to advocate this ought to all come from Washington. It should not, Mr. President.

I am not even advocating Government programs. I am advocating a new partnership between the Federal capacity to help distribute some resources and do it in an administratively cheap way that gets that money to those nongovernmental entities, to the nonprofit entities by the thousands that are out there, struggling to make a difference in the lives of young people.

But we do not do that, not in this piece of legislation, even with this extraordinary opportunity to really create a blueprint for the future of this country.

I think we ought to be encouraging partnerships for community progress all across the country between the Government and the private sector and churches and schools and community groups. We should rely on the community groups and on those local entities and on the local people to help define those efforts.

One thing I know, Mr. President, when you have only 82 kids in a YouthBuild program in Boston and 400 kids on the waiting list, it is unconscionable to be continuing some of these other subsidies in giving tax breaks when we could be saving some of those 400 kids and providing the same kind of self-help program that truly embodies the notion of giving people values.

Mr. President, the people in this country are really sick and tired of the lack of common sense that emanates from Washington. They are tired of the gamesmanship. They are tired of the rhetoric that comes off of this floor. It is hard.

I must say I listened to C–SPAN a couple nights ago and I said, ''God, I really hope I do not sound like that,'' because the words just sort of bounce around. They sometimes have no real connection to the lives of the people that we were sent here to represent. There is more finger pointing and more gamesmanship.

Sadly, we have arrived at a point where we have this extraordinarily important budget, and truly it can be said that there has been no real outreach, no real effort to try to find a bipartisan approach.

We are implementing the Contract With America. We are implementing an agenda that was set in a campaign document, a document that does not even mention the word ''children.'' The word ''children'' does not appear in this contract. The words ''health care'' do not appear in this contract. ''Environment'' does not appear in the contract except under the concept of regulatory reform.

Most importantly, those things that really matter to people, which is how am I going to get a job? How am I going to raise my income for the additional work I am putting in on a daily basis? That is the primary thing that most Americans are concerned about.

People want to know whether or not they will have their kids be able to have an adequate enough education to be able to get that kind of job. They want to know whether or not they will be able to go home at night and literally not be so exhausted and burned out and frazzled that they can spend some time with a child, truly imparting values, and that they can have time for something we used to call quality of life.

I think the people of this country want us to move inexorably to a stronger, richer, safer, better, and saner America for everyone—everyone—on a fair basis.

They want to fix what is wrong. They want to keep what is right. There is a lot that is right.

Unfortunately, in this budget we are not going to have the opportunity to really present those choices to the American people. I am convinced that most Americans very quickly will understand what is fair and what is real and what is not.

The American people believe unquestionably in their hearts that we have not been wrong to do what both Republicans and Democrats joined together in doing in the last years. Republicans joined with Democrats to guarantee that those who work at the low end of the scale of America have a reasonable wage. That we did together.

They joined together to guarantee that we would put 100,000 cops on the streets of America. And yet here we are with a proposal that blocks it all into a grant, makes those cops compete with floodlights for prisons, computers for the precinct, new cruisers, all the other things—except that we so desperately need cops on every street in this country.

Mr. President, the budget debate that we will embark on in the next hours really should not be so honed in political ideology or 30-second sound bites. I think it really ought to be a much more thoughtful discussion to the American who is listening and who wants to really consider how we will build the future of this country.

It ought to be a debate based on facts, not on distortions and side bars and fictions but really on the facts. The implacable and irrefutable facts about where we are heading in terms of income and jobs, violence, education, environmental cleanup, and the other things that make up the quality of life.

Mr. President, I think it is a discussion that should not be limited in this arbitrary 20-hour way of jamming all of the legislative effort and the 1,000 pages that most people have not even had time to read.

The tax provisions contained in this legislation certainly require a great deal more time and exposure in order to really flesh out their fairness and also their long-term impact on the economy of this country.

Maybe it is time we changed our rules, Mr. President, by voting to recommit the legislation of the Budget Committee to ensure that a tax-writing committee has had sufficient time to explore and debate all the issues not addressed, including real tax reform and simplification.

This legislation leaves us with many, many questions, Mr. President. Why is it that we could not have used this as a great opportunity to try to make a stronger set of choices for the American people? Why could we not have lowered the tax rates for lower-income Americans and been fairer in the distribution at the upper end? Why could we not have used this as a means of debating how we will break people out of that lower end cycle, rather than sending them back into it by doing away with the earned income tax credit.

Why could we not have used this to have a stronger real fix for the problem of the inequity of the delivery of health care in the country and the problem of the distribution of resources and the increasing numbers of Americans who have no coverage at all? Why could we not have spent the time on the floor really expressing the stronger vision of where it is that we are headed.

I know my colleagues will come to the floor and they will say the Senator has it all wrong. What we are going to do here is we are going to balance the budget. We are going to end this cycle of spending.

I agree, Mr. President. Balancing the budget is good for America, and reducing this deficit is good for America. That is not the issue. That is not what is at stake here because we are going to do that.

The question is, how are we going to do it? Are we going to do it fixated only on the fiscal deficit, or are we also going to think about the spiritual, moral, cultural deficit in this country? Are we also going to think about the investment deficit in this country?

You do not get from here to there in America on an old FAA computer system and call it safe. You do not get from here to there in America on trains that are predestined to crash because we do not invest enough in safety measures for our country. You do not get from here to there in America on roads that were not built in the National Highway System with the commitment of Federal participation. There are hundreds of examples, where responsible action at the Federal level has improved the capacity of this country to provide for its people and to help people provide for themselves.

I am absolutely one who accepts the notion that we have to rethink how we deliver services. I am prepared to shrink the size of Washington. In fact we have been doing that. We will soon have around 200,000 fewer bureaucrats. It is the smallest Government we had since Jack Kennedy was President of the United States. You would not know that from listening to our colleagues. We have had 3 straight years of deficit reduction. And now we will move on to balance the budget, which is what we ought to do.

But Americans are going to ask whether, as we did this, we did it sensibly; whether it is fair; whether we had a vision for what we want the future to be. Americans are going to ask whether or not this document represents an antivision, or a vision. I am confident that, because it represents an antivision, the President of the United States will ultimately veto it, because it is not bipartisan, because it is not reflective of the higher plane of vision of what this country ought to be and what we want it to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

MEDICARE

Mr. FRIST. Mr. President, I rise today to join my colleagues who earlier discussed what is truly a historic budget reconciliation that will be coming to the floor in the morning. This is legislation that will balance the Federal budget in 7 years, and that is the issue before us; that will reform welfare, and that is the issue before us; that will save Medicare from bankruptcy, because that is the issue before us; and which will provide much needed tax relief to American families.

The Social Security and Medicare programs were reviewed in a document. The trustees, there were six in all, three of whom were on the Clinton administration's Cabinet, made it very clear that the issue before us in Medicare is to save it from bankruptcy, to save the entire program—not just a part of it, not just one trust fund, but the entire program.

On the first page of the report of the trustees—and, again, the trustees, three of whom are from Clinton's Cabinet—it says very clearly, ''The Federal Hospital Insurance Trust Fund will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The trustees believe that prompt, effective and decisive action is necessary.'' And that action we have in this reconciliation package.

On page 13 of this same report it spells it out very clearly that, ''both the hospital insurance trust fund and the supplementary medical insurance trust fund show alarming financial results.'' That is part A and part B; not just part A, as we so often hear from the other side of the aisle.

I continue reading from page 13, ''The HI trust fund continues to be severely out of financial balance and is projected to be exhausted in 7 years. The SMI trust fund [which is part B, the physician part] shows a rate of growth of cost which is clearly unsustainable.''

Again, reading the exact words, these words are from Sanford Ross and David Walker, the two public trustees, ''The Medicare program is clearly unsustainable in its present form.'' Not just the part A trust fund but the Medicare program. Again, we hear from the other side of the aisle we can put another Band-Aid on this program. We can do what we have done in the past and ratchet down a little more on the hospitals, because it is not a crisis. It is not all that urgent. ''We have seen it before over the last 10 years,'' the other side of the aisle says. Yet the trustees say, ''We strongly recommend that the crisis presented by the financial condition of the Medicare trust funds [both funds] be urgently addressed on a comprehensive basis.''

These are the trustees' words. I point that out because, again, we hear every day and several times a day, ''Let us just put another $100 billion into the program and that will take care of it for another couple of years.'' No, the trustees say we need to address part A, and part B, hospitals and doctors, the program overall, and not just one aspect of that program.

So, we make the case. The trustees have made the case that Medicare is going bankrupt if we do nothing. The American people did not know that 1 year ago, or even 8 months ago. Now our senior citizens recognize that. Our individuals with disabilities recognize that. And they recognize that we are going to have to change the system, bring it up to date, to 1995 standards. It is a good program. As a physician I have seen that it has cared for millions and millions of our senior citizens in an effective way. But, as the trustees said, it cannot be sustained. It needs to be modernized.

We pointed out again and again that we are going to increase spending in the Medicare program. Just a few moments ago we heard, when you adjust it on a per beneficiary, or per capita, or per person basis we are really not increasing it. That is not true. On a per capita, per person, per senior citizen, we are spending $4,800 a year this year and that is going to increase next year and that is going to increase the year after that, and increase the year after that to, by the year 2002, just 6½ years from now, we are going to be spending $6,700, almost $2,000 more than we are spending today. And that is not a cut.

It is going bankrupt if we do nothing. We have heard no alternative, reasonable alternative that addresses the overall program from the other side of the aisle.

Second, we are going to increase spending, not cut.

And, third is something that I am most excited about, again because of my past experience as a physician, as one who has taken care of thousands of senior citizens. When I close my eyes I do see faces, individual faces of mothers, of grandmothers, of fathers, of grandfathers, of individuals with disabilities. We cannot just throw more money at the problem, more Band-Aids. We have to strengthen the system.

We have not given enough attention publicly to what we are doing in strengthening this system, in improving it, in giving our seniors and individuals more options that meet their individual needs. That is where we are giving them the right to choose, empowering them to choose a plan which might better meet their needs but at the same time allowing them to keep exactly what they have today if they wish.

Let me refer to this chart, just to explain what I mean by that, how we are strengthening the program. Just focus on the top part of this part. Today we have fee for service, traditional fee for service, where you choose your own physician, you pay your physician in a very direct fashion for the services delivered, and about 91 percent of the 37 million people on Medicare today are in a fee for service system.

About 9 percent of those 37 million people are in an HMO. It is a very limited model. It is a very closed model today, but that is an option for 1 out of 10 of our citizens. On the other hand, in the State of Tennessee there are no HMO's in the Medicare system. Everybody, the number actually in Tennessee of all those 37 million people, for the most part are in just this fee-for-service system.

We are going to hear the plan laid out a little more over the next few days. But what does it do for our senior citizens? As I said, our senior citizens can stay in fee for service, keep their same physician today, not be forced

out of that system at all. Or they can stay in an HMO, if they happen to be there and are pleased with that. But look what we are actually opening up to those senior citizens: A wonderful array of plans that can better meet their individual needs.

If you need a lot of prescription drugs, you are not going to want to be in a fee-for-service system where prescription drugs are not covered. You might want to pick one of these other plans. You do not have to, but you can, for the first time in 30 years in the history of this program.

Medical savings accounts; for the first time a senior citizen can pick a medical savings account or indemnity plan or a preferred provider organization or a point of service plan, or a union-sponsored plan. For the first time, our senior citizens are going to be able to opt for the plan that better meets their needs.

Medical savings accounts—let me just take a few minutes and talk about medical savings accounts, because it is an example of an option that our seniors today have no access to, that, once this bill passes, they will be able to choose if they would like. The use by health consumers of MSA's will change provider behavior—the physician, the hospital—as well as consumer behavior. Why? Because it, if one chooses that, will decrease the role of third-party payers.

It will also increase an individual's awareness of the health care costs. Today, there is really very little incentive for patients to be cost-conscious consumers of health care. On average, every time a patient in America receives a dollar's worth of care, 79 cents is paid by a third party—by an insurance company, or by the Federal Government. Only 21 cents is paid by that patient.

The result is that we have the potential—and I believe grossly—of overconsuming medical services today. Everyone wants it. It is a human tendency. You want it for your mother, your spouse, and your children. Everybody wants the latest, the hottest, the most sophisticated, and, yes, usually the most expensive in whatever medical service it is. It might be the most deluxe hospital room, or it might be getting an MRI scan for a headache, or it might be the latest in nuclear medical imaging. We want the very best. This does play a role in increasing the cost of health care.

Medical savings accounts—which are savings accounts that an individual puts money into and can draw upon for care—will help introduce incentives, marketplace incentives, for most cost-conscious behavior.

MSA's, medical savings accounts, give individuals more choice in the health care market. Our senior citizen cannot join an MSA today in Medicare. It will help stem rising health care costs without decreasing availability or the quality of patient care. It empowers individuals to make prudent, cost-conscious decisions about their health care, about their health care needs, and how to meet those needs. And it will encourage hospitals and physicians to compete for patients on the basis of cost, yes, but also outcomes and quality of care.

There is another important aspect of medical savings accounts, and it is really overlooked almost always by policymakers in Washington; that is, the effect that empowerment of individuals—37 million individuals potentially, although I do not think it will be that—but that empowerment actually changes provider behavior. It changes physician behavior. Doctors, like patients, are accustomed to a system that is not subject to market forces. Since insured patients do not have any incentives to shop around or ask outcome questions or compare medical services, whether it is based on price or outcome, physicians are not rewarded for providing cost-conscious care.

Throughout much of my practice as a heart surgeon and a heart transplant surgeon, I would perform a heart operation, submit the bill, and the bill was paid with no questions asked by the patient.

The PRESIDING OFFICER. If the Senator will suspend, under the rules of morning business we are operating in, Senators are limited to 10 minutes unless the Senator asks unanimous consent.

Mr. FRIST. I ask unanimous consent that I be allowed to continue for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FRIST. Mr. President, traditionally no questions have been asked. One day an individual came to see me. He actually needed a heart transplant. He came with a list of transplant centers. He said, ''These are outcomes that I have heard about. What are your outcomes?'' He asked, ''What are your infection rates, and how much do you charge for heart transplants?''

To be honest, nobody had ever come in and asked, ''How much do you charge for a heart transplant?'' What I did was actually turn around and go back to my transplant team, and say, ''Let us see exactly what we charge. Let us be able to answer that question why we charge what we charge as well as look at the outcome data and how our results were compared to other people,'' not only with my own practice and my own transplant team, but the other transplant teams in my center.

I brought them together, and sure enough, we looked at quality standards. We got those out to the community. And, yes, we lowered our prices for how much we would charge for transplantation. Just because of one empowered patient who came forward and asked the right questions, I think we improved quality, we improved care, and we gave more cost-effective care.

Because someone else usually pays the bills, many patients forget that they are consumers. They do not ask providers to be accountable. If one individual can make such a difference, just imagine what impact we can make when we empower thousands of individuals similarly.

Because I strongly believe that empowerment of individuals will help reform—not totally reform the system but help reform, the delivery of health care—I recently introduced a bill, S. 1249, which provides for establishment of a little bit different type of MSA. Under this bill, just to use an example, an employer would deposit up to $2,500 in a tax-free savings account for an employee and would also purchase a catastrophic-type health insurance policy to cover the cost of extraordinary medical expenses. Routine expenses, like eye glasses, annual checkups, possibly prescriptions and dental work would be paid by the employee using that medical savings account. If you did not use all those funds, that medical savings account would accumulate from year to year. Self-employed and uninsured individuals would also be able to establish an MSA link with a low-cost insurance plan under this bill.

Unlike the other MSA proposals introduced in Congress, my bill allows for greater flexibility in benefit design. S. 1249, unlike some of the other more restrictive MSA's, allows managed care companies to offer a low-cost plan based on higher cost sharing rather than just a large, rigid deductible. Restricting plan participation to the size of the deductible may work fine in today's market, but as we learn more and more about how individuals purchase health care services under an MSA, the market may need greater flexibility which can be accomplished under our plan.

Indeed, many insurance plans today have modified their benefit and cost-sharing design over time to alter consumer behavior. Some critics of MSA's are concerned that individuals may forego preventive care to save money. I personally believe that greater control over your health care dollars will encourage more preventive care in this environment.

In my MSA proposal, we would allow a plan to possibly stretch the effect of cost-conscious purchasing by requiring a 50 percent copayment for the first $5,000 of services in a year as opposed to the traditional high deductible plan. My bill would allow this flexibility.

Mr. President, in closing, we, in America, are fortunate to have the absolute highest quality health in the world. When leaders of the world become seriously ill, they do not go to Great Britain or Canada to seek treatment. They come to the United States. While there are those who would like to stifle our technological advances and allow bureaucrats to tell us how much and what kind of health care we can receive, the American people have loudly and clearly rejected this notion.

No one can predict what will happen in medicine over the next 50 years. Over the last 50 years, there have been tremendous changes. The technological advances are simply mind-boggling. The challenge for us in health care is to maintain the highest quality of health care in the world and at the same time to continue to make it available to all Americans, but this can be done only if we change that basic framework through which medical services are consumed.

A medical savings account, again, is not the answer to these problems. But it is an alternative. It is an option which will go a long way to empower individual consumers.

HONORING HARRY KIZIRIAN

Mr. PELL. Mr. President, today the Senate will act on H.R. 1606, legislation to designate the U.S. Post Office Building located at 24 Corliss Street, Providence, RI, as ''The Harry Kizirian Post Office Building.'' I was pleased to join my colleague, Senator JOHN CHAFEE, in cosponsoring the Senate version of the bill, S. 786.

It is a fitting tribute for Congress to name this particular structure after Harry Kizirian because it was the first post office in the United States to use a fully automated sorting system, under Harry's supervision. Harry Kizirian himself is a Rhode Island landmark because of his extraordinary contributions to the United States, to Rhode Island, and to Providence.

When Harry was just 15 years old, his father died, and he went to work part-time as a postal clerk to help support his widowed mother. He then worked his way up through the leadership positions in the Postal Service. After being nominated by former Senator John O. Pastore, Harry was confirmed by the Senate in 1961 as postmaster of Providence, RI, a post he held for more than 25 years.

World War II interrupted Harry's career for a short time. He enlisted in the U.S. Marine Corps after he graduated from Mount Pleasant High School and subsequently became Rhode Island's most decorated marine.

He fought in Okinawa and was shot in battle. He earned the Navy Cross, the Bronze Star with a ''V'', the Purple Heart with a gold star and, finally, the Rhode Island Cross.

After the war, Harry returned to Rhode Island and to his job at the Post Office. In addition to his military service and his work in the Postal Service, he had served on numerous committees and boards in Rhode Island.

Harry served on the board of directors of Butler Hospital, Big Brothers of Rhode Island, the Providence Human Relations Commission, Rhode Island Blue Cross, and Rhode Island Heart and Lung Associations.

He was also a member of the Community Advisory Board of Rhode Island College, the Providence Heritage Commission, the Commission on Rhode Island Medal Honor Recipients, DAV, and the Marine Corps League.

Harry Kizirian's name has become synonymous with the qualities he exemplifies—dedication, loyalty, leadership, and hard work. I am delighted to honor him, not only for his lifetime of service to the Postal Service, but also for his involvement with and commitment to his community. Congratulations, Harry.

U.S. WORKERS NEED MORE PROTECTION UNDER OUR IMMIGRATION LAWS

Mr. KENNEDY. Mr. President, legal immigration within the limits and rules of our immigration laws has served America well throughout our history, and is one of the most important elements of our national strength and character.

Clearly, Congress and the American people today are rightly concerned about illegal immigration. There is broad bipartisan support for effective measures to crack down on this festering problem. But we must be careful to ensure that attitudes toward illegal immigrants do not create a backlash against legal immigrants.

In general, the current laws and policies on legal immigration work well, and we must be hesitant to change them, especially those that give high priority to encouraging family reunification and enabling U.S. citizens to bring their spouses, children, parents and siblings to this country.

But one area of legal immigration that needs reform is in the rules protecting American workers. It has become clear that protections for U.S. workers under current law have not kept pace with changes in the American labor market and the world labor market.

This problem is particularly serious in our laws permitting the entry of temporary foreign workers—the so-called nonimmigrants. Hearings conducted earlier this month by the Senate Subcommittee on Immigration, under the able chairmanship of Senator SIMPSON, have revealed the depth of this problem.

U.S. companies are increasingly outsourcing activities previously performed by permanent employees. More firms are resorting more often to the use of temporary workers or independent contractors as a way of increasing profits and reducing wages and benefits, even though the result is less in-house expertise for the firms.

Often, the workers brought in from outside are U.S. citizens. But increasingly, U.S. firms are also turning to temporary foreign workers. Yet, this little known aspect of our immigration laws includes few protections for U.S. workers.

Current laws governing permanent immigrant workers require employers to try to recruit U.S. workers first. The Department of Labor must certify that efforts for such recruitment have been carried out before an employer can sponsor an immigrant worker. This process has some shortcomings, but it is intended to guarantee that immigrant workers do not displace American workers.

A serious problem is that our laws governing temporary foreign workers contain no such requirement. They are based on the outdated view that because they enter only temporarily, few protections for U.S. workers are required. Current law does not require employers to try to recruit U.S. workers first, and the Department of Labor has little authority to investigate and remedy abuses that arise, such as the underpayment of wages or the use of inadequate working conditions.

As a result, a U.S. firm can lay off permanent U.S. workers and fill their jobs with temporary foreign workers—either by hiring them directly or by using outside contractors.

In one case, a major U.S. computer firm laid off many of its U.S. computer programmers, then entered into a joint venture with an Indian computer firm that supplied replacement programmers—most of whom were temporary workers from India.

While reforms are needed in this area, we must be careful not to throw the baby out with the bath water. Many temporary workers who come here provide unique skills that help the United States to stay competitive in the global marketplace. For example, such workers can bring unique knowledge and expertise to university research programs developing new medical advances and new technologies.

As Congress takes up far-reaching reforms in legal immigration, it is vitally important that we recognize these basic distinctions. Stronger protections for American workers are needed. But they are not inconsistent with preserving an appropriate role for foreign workers with unique skills.

In our subcommittee hearings earlier this month, Secretary of Labor Robert Reich proposed three important changes to our immigration laws on temporary foreign workers. I believe these should receive serious consideration by Congress.

Secretary Reich proposed, first, that these employers should be required to make good faith efforts to recruit U.S. workers first—before seeking the entry of a foreign worker. Second, he proposed that employers who lay off U.S. workers should be precluded from seeking foreign workers in that field for at least 6 months. Third, he proposed that the length of time that temporary foreign workers may remain in the United States be reduced from 6 years under current law to no more than 3 years, in order to reduce the overall number of temporary foreign workers in the country at a given time.

In addition to these three thoughtful proposals by Secretary Reich, the bipartisan Commission on Immigration Reform, chaired by former Congresswoman Barbara Jordan, has recommended that employers who request

immigrants also be required to contribute to the training of American workers. As the Commission stated in its report last June,

To demonstrate the bona fide need for a foreign worker and to increase the competitiveness of U.S. workers, an employer should be required to pay a substantial fee, that is, make a substantial financial investment into a certified private sector initiative dedicated to increasing the competitiveness of U.S. workers.

Each of these proposals is worth serious consideration by Congress—both for permanent immigrant workers and for temporary foreign workers. As Congress moves forward in the coming months on far-reaching immigration reform legislation, it is essential that we enact stronger safeguards against unscrupulous resorting to foreign workers at the expense of American workers, and I look forward to working closely with my colleagues in the Senate and the House to achieve this important goal.

Mr. President, I ask unanimous consent that a recent article from the Washington Post—''White-Collar Visas: Importing Needed Skills or Cheap Labor?''—be printed in the RECORD.

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

[From the Washington Post, Oct. 21, 1995]

WHITE-COLLAR VISAS: IMPORTING NEEDED SKILLS OR CHEAP LABOR?

(By William Branigin)

A large New York insurance company lays off 250 computer programmers in three states and replaces them with lower-wage temporary workers from India. A Michigan firm sends underpaid physical therapists from Poland to work at health care facilities in Texas. A company in California advertises that it can supply employers with ''technical workers'' from the Philippines at low pay.

Even the White House resorts to cheap technical help, using a company that imports most of its workers from India to upgrade the president's correspondence-tracking computer system.

As Congress considers major changes in immigration law, the Department of Labor and a number of professional associations and private citizens are citing cases such as these in urging an overhaul of a little-known immigration program designed to meet shortages of highly skilled workers in certain ''specialty occupations.'' The debate highlights much broader dilemmas that the nation faces as it tries to decide how many foreigners to admit and what qualifications to demand of them.

Each year, tens of thousands of such workers from around the world are brought into the United States under the H–1B visa program, which admits computer programmers, engineers, scientists, health care workers and fashion models under ''nonimmigrant'' status.

Businesses say they need the program to obtain quick, temporary professional help that cannot be found in the U.S. work force. They say the visa category enables them to hire people with ''unique'' skills—the ''best and brightest'' that the world has to offer—and to compete in an increasingly tough global market.

Advocates of this and other employment-based visa programs cite numerous cases in which foreign professionals with special expertise have made valuable contributions to American science and technology and have helped create jobs in the American economy. But the Labor Department says the H–1B program also has been widely exploited to bring in thousands of foreign professionals and technicians whose chief attraction is that they are willing to work for much lower salaries than their U.S. counterparts. Many are imported by job-contracting firms known as ''body shops,'' which recruit the foreign professionals and hire them out to major U.S. companies at a profit.

In many cases, ''employment-based immigration is used not to obtain unique skills, but cheap, compliant labor,'' said Lawrence Richards, a former IBM computer programmer who formed the Software Professionals' Political Action Committee last year after colleagues were laid off and replaced by lower-paid programmers from India.

Richards and other critics of the H–1B visa program described the imported professionals as ''techno-braceros,'' the high-tech equivalent of migrant farm workers.

They charged that the program is driving down wages in certain sectors, displacing American workers and bringing in foreigners who often are effectively ''indentured'' to their employers. In the long run, they predicted, it will accelerate the flight of high-tech jobs overseas, discourage American students from studying for those occupations and produce the very shortages it was designed to alleviate.

In addition, some immigrants have used the program to set up lucrative job-contracting concerns that discriminate against Americans in hiring, sometimes even as they receive federal assistance for minority-owned businesses.

To remedy what he says is a situation ''fraught with abuse,'' Labor Secretary Robert B. Reich is seeking major reforms under immigration legislation now being debated in both chambers of Congress.

''We have seen numerous instances in which American businesses have brought in foreign skilled workers after having laid off skilled American workers, simply because they can get the foreign workers more cheaply,'' Reich said in an interview. The program ''has become a major means of circumventing the costs of paying skilled American workers or the costs of training them,'' he added.

''There is abuse of the current nonimmigrant system, but it is by no means overwhelming,'' argued Austin T. Fragomen, an immigration lawyer who represents major U.S. corporations, ''To the extent there is abuse, [it] occurs among small, relatively unknown companies'' and should be ''controlled through more effective enforcement,'' he said in written Senate testimony last month.

''It is minimally widespread,'' said Charles A. Billingsley, of the Information Technology Association of America, a pro-immigration group. ''Are U.S. workers being put out of work by foreign workers? Probably. But the occurrence is minuscule.'' In any case, he said, H–1B visa holders account for only '' a fraction of the U.S. work force.''

Such arguments are not much comfort to John Morris, who owns a computer consulting firm in Houston. He said he lost his largest customer, a major oil company, when he refused to supply it with cheap foreign programmers.

''Greed is the reason they're doing this,'' Morris said. ''Anybody who says it ain't greed is smoking rope.''

He said he also has turned down a Chinese company's offer to provide programmers for placement at $500 a month in jobs that usually would pay $5,000 a month.

''The Chinese are desperate to get in here,'' Morris said. ''This is economic warfare.''

In 1990, Congress passed an immigration act that raised a cap on permanent employment-based immigration from 54,000 to 140,000 a year in response to fears of an imminent shortage of scientists, engineers and other highly skilled professionals. A separate provision created the H—1B visa category, which lets in as many as 65,000 professionals a year for stays of up to six years. These workers are supposed to be paid ''prevailing wages'' and not used to break strikes.

The H–1B provision requires no test of the U.S. labor market for the availability of qualified American workers, and it does not bar businesses from replacing U.S. workers with ''temporary'' nonimmigrants.

In practice, critics say, ''prevailing wages'' have been defined too broadly to prevent many job contractors from significantly undercutting the salaries usually paid to Americans. Moreover, the anticipated shortages did not materialize, in part because defense industry cuts after the end of the Cold War added to the ranks of an estimated 2.3 million Americans who have been laid off so far this decade.

In Senate testimony last month, Reich called on Congress to prohibit employers from hiring nonimmigrant workers in place of Americans who were laid off. He said companies should be required to show they had tried to ''recruit and retain U.S. workers' in the occupations for which nonimmigrants were sought. He also recommended that the permitted stay of these workers be reduced to three years.

''Hiring foreign over domestic workers should be the rare exception, not the rule,'' Reich said.

The labor secretary noted that although nonimmigrant workers are admitted on a ''temporary'' basis, many stay for years, sometimes illegally. More than half of foreigners granted permanent resident status in fiscal 1994 originally came in as nonimmigrant students or ''temporary'' workers, Reich said.

In response to ''abuse'' of the nonimmigrant programs, over the past three years the Labor Department has charged 33 employers with wage violations involving more than 400 workers in physical therapy and computer-related occupations.

In one case, the department found that an Indian-owned firm in Michigan called Syntel Inc. had ''willfully underpaid'' its Indian computer programmers, who came to the United States under H–1B visas and made up more than 80 percent of the company's work force.

In November last year, American International Group, a large Manhattan-based insurer, paid off 250 American programmers in New York, New Jersey and New Hampshire and transferred the work to Syntel. Syntel assigned some of the work to about 200 Indians it had brought in, reportedly at about half the American's salaries, and gave the rest to much to much lower-paid employees at its home office in Bombay. During their last weeks of employment, the laid-off U.S. workers were even required to train their replacements, Reich said.

''It was clear that Syntel did not bring in any special skills that we did not have,'' said Linda Kilcrease, one of the full-time programmers who lost their jobs.

Another Michigan company, Rehab One, was found by the Labor Department to have underpaid physical therapists it brought in from Poland. The workers, who came in with H–1B visas, were assigned to U.S. health care facilities, primarily in Texas, and were paid as little as $500 a month, the department found.

In New Jersey, a major shipping company, Sea-Land Services, laid off 325 computer programmers this year and replaced them with Filipinos supplied by Manila-based Software Ventures International. The Americans. who were paid about $50,000 a year on average, also had to train the lower-paid Filipinos, most of whom eventually returned to Manila to carry out the work even more cheaply there.

''I was outraged,'' said Jessie Lindsay, one of the former Sea-Land programmers. ''There were highly paid technical jobs leaving the country. . . . What's the point of getting an education and technical training if companies can get away with hiring at slave wages?''

Mastech Corp., of Oakdale, Pa., a company owned by two Indian immigrants that has won millions of dollars in consulting contracts with the federal government, has brought in about 900 of its 1,300 workers from India under the H–1B program. From 1991 until Sept. 30, one of its contracts, obtained under a set-aside program for minority-owned businesses, involved ''computer system integration, installation, maintenance and operational support for the White House correspondence system,'' the presidential press office said.

''We have been lumped in with some other companies that allegedly underpay their foreign workers,'' a Mastech executive said. ''We are not a low-paying company.''

One of the latest controversies over the H–1B program erupted last month after it was reported that the National Association of Securities Dealers had laid off 30 contract computer programmers and hired an Indian firm, Tata Consultancy Services, to do the work. The government-chartered association, based in Rockville, Md., owns, operates and regulates the Nasdaq Stock Market. Tata, which has a regional office in Silver Spring, is part of a huge Indian conglomerate that company officials say produces everything from tea to computer software.

An NASD spokesman, Marc Beauchamp, said Tata would employ about 40 people on the project, half of them working here on H–1B visas and half at Tata's home office in Bombay. He denied that any full-time NASD employees were fired and said that ''fewer than 20 outside contractors could possibly be affected'' by the move.

The Indians essentially would be maintaining ''outmoded technology'' so that regular NASD programmers could ''focus on new technologies'' and perform ''more challenging work,'' Beauchamp said. ''We found it made no business sense to hire programmers that we would have to pay more than, or as much as, the people we have on staff,'' he said.

Neither NASD nor Tata would disclose details of the contract. However, Tata insisted that it follows all U.S. regulations and wage requirements.

''We are not a body shop,'' said A. Sruthi Sagar, the firm's personnel manager. ''We are not in the business of providing cheap labor to the United States.''

TRANSFER OF BUREAU OF LAND MANAGEMENT LANDS TO THE STATES

Mr. BURNS. Mr. President, I rise today to talk about an issue that I firmly believe in, more localized control of our public lands. I am here today to set the facts straight so that the people of Montana get the real story and can make their decision on two pieces of legislation before this body.

Several months ago I cosponsored a bill, S. 1031, that will allow the Governors of States with Bureau of Land Management lands to request these lands be transferred to the States in which they are located. This bill brings control of public lands to the local government and out of the stone cold buildings in this town. I signed on to this bill as a way of addressing an issue that I have fought long and hard for local control and oversight of public lands by the people that live in and around those lands.

This bill will provide for the Secretary of the Interior to offer to transfer BLM lands to the States in which they are located. The Governor of the State will then have 2 years in which to make the decision on the future of this land. A Governor can either accept the title transfer of these lands or they may reject this offer. If accepted, then within the following 10 years the Secretary will transfer these lands to the States.

What this effectively does, Mr. President, is place control and oversight of these lands into the hands of those closest to the land. This puts the decisions on the use of this land into the local hands, and out of the hands of people that live thousands of miles away. It will provide a better opportunity for all Montanans to have a voice in the future of the public lands in the State.

There have been many incidents in Montana where people, outside the State, have affected the Federal land policy of land within Montana. People living in downtown New York City have placed a stamp on an envelope and appealed decisions that effect the people in Montana. This goes against every promise the West ever offered to those who live there. Throughout my tenure in the Senate I have stood strong on one basic philosophy; the people of Montana know what is best for Montana. The best decisions are made at the local level. We do not need a Federal land manager in Washington to tell us how to manage our lands. The land managers in the State have a better understanding of the needs and the future of the lands in Montana.

One of the basic misconceptions that have been expounded on by the opponents of this bill is that the sportsmen and other Montanans will lose access to the lands. This is far from the truth. Our State lands are open to the public, more open than the Federal Government makes their land.

I must assure my fellow Montanans that I would never do anything to deprive them of their rights to hunt or fish or have access to our lands. As a founding member of the Congressional Sportsmen's Caucus I have fought hard for the sportsmen across the country. The goal of the caucus is to provide more opportunities for all the sportsmen throughout the state and the nation, and I am proud to serve as the Senate cochair.

As I look at this legislation I would like to ask a couple of questions about the future of public lands. In Montana I wonder who among us would like to have the future of our public lands, our access to those lands and use of them, determined by Federal land managers in Washington? How many of us would prefer to have our neighbors and friends, those people who live in our state determine when and where we can use and have access to the lands?

I would like to return debate of this bill to the topic from which it has been built. Local control over local lands and access to lands by the people in the State where the lands are located. Multiple use of the lands by people who understand the concept of multiple use.

This is not a bill that sells land to private interests or closes land off to the residents of a State. It is a bill which allows each and every State that has lands the opportunity to determine the future of their lands.

I end by restating one belief that I have always held near and dear when talking about Montana. I stand firm in the fact that Montanans make the best decisions about the future of Montana.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, on that evening in 1972 when I first was elected to the Senate, I made a commitment to myself that I would never fail to see a young person, or a group of young people, who wanted to see me.

It has proved enormously beneficial to me because I have been inspired by the estimated 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Most of them have been concerned that the total Federal debt which is $27 billion shy of $5 trillion, which we will pass this year. Of course, Congress is responsible of creating this monstrosity for which the coming generations will have to pay.

The young people and I almost always discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 22, 1992. I wanted to make a matter of daily record of the precise size of the Federal debt which as of yesterday, Monday, October 23, stood at $4,973,904,347,350.96 or $18,881.03 for every man, woman, and child in America on a per capita basis.

FOOD QUALITY PROTECTION ACT

Mrs. FEINSTEIN. Mr. President, I am pleased to join as a cosponsor of S. 1166, the Food Quality Protection Act, introduced by Senator LUGAR.

This legislation addresses three major issues: the need to ensure that

tolerances of pesticides in food safeguard the health of infants and children; the need to encourage the registration of minor use pesticides; and the need to repeal the Delaney clause and replace it with a negligible risk standard for pesticide residues in both raw and processed foods.

The Delaney clause was enacted in 1958 as part of the Federal Food, Drug, and Cosmetic Act to prohibit any residue of a food additive that has been found to cause cancer, no matter the amount of the risk to human health. In the intervening years, our ability to detect residues has improved, to the point where we can now detect minute amounts, even parts per trillion.

Many including the Environmental Protection Agency agree the Delaney clause zero risk standard should be replaced with a de minimis standard. In fact, for a number of years, EPA has used a de minimis standard for regulating pesticide residues on food.

However, as a result of the court decision in Les versus Reilly and a consent decree in California versus Browner, the Environmental Protection Agency will have to strictly enforce the Delaney clause the end of this year. Strict enforcement of the Delaney clause will result in the cancellation of tolerances of over 100 chemicals used in California agriculture, even if they pose only a negligible risk of one in a million additional risk of cancer in a lifetime. In order for agriculture to retain use of these chemicals, it is imperative that the Delaney clause be replaced with a negligible risk standards that protects human health, including the health of infants and children.

S. 1166 replaces the Delaney zero risk standard with a negligible risk standard. EPA has been defining negligible risk as one additional cancer for every one million people exposed.

The issue of food safety is extraordinarily important both to California agriculture and to the health of 32 million Californians. About 20 percent of the agricultural chemicals sold in the United States—about 500 billion pounds of chemicals—are used in the State annually. California has its own pesticide regulation program and in many cases has stricter standards for pesticides than the national standards.

A concern that I have about S. 1166 is that it provides for national uniformity and preempts California's more stringent standards. I believe that States should be able to set tougher standards, and will move an amendment to do so.

I will work to improve the bill as it goes forward, and to get a bill enacted. It is vital that we reform the Delaney clause this year.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 6:07 pm., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1543. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report entitled, ''National Annual Industrial Sulfur Dioxide Trends, 1995–2015''; to the Committee on Environment and Public Works.

EC–1544. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report entitled, ''Acid Deposition Standard Feasibility''; to the Committee on Environment and Public Works.

EC–1545. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report regarding the progress implementing the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act; to the Committee on the Environment and Public Works.

EC–1546. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation to amend title 31 United States Code, to require executive agencies to verify for correctness of transportation charges prior to payment, and for related purposes; to the Committee on Governmental Affairs.

EC–1547. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the annual report summarizing actions taken under the Program Fraud Civil Remedies Act [PFCRA] during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1548. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, a draft of proposed legislation to allow removal of suits against the United States and its agencies, as well as those against Federal officers, and to allow removal of suits against Federal officers, and to allow removal of suits against Federal agencies and officers that are brought in local courts of U.S. territories and possession; to the Committee on the Judiciary.

EC–1549. A communication from the Vice President of the American Council of Learned Societies, transmitting, the annual report for fiscal year 1994; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–374. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–375. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–376. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–377. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–378. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–379. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–380. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–381. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–382. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–383. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–384. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–385. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–386. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–387. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–388. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

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POM–402. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

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POM–446. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–447. A resolution adopted by the Interstate Oil and Gas Compact Commission relative to the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

POM–448. A resolution adopted by the Southern Governors' Association relative to the Endangered Species Act; to the Committee on Environment and Public Works.

POM–449. A resolution adopted by the Arkansas Wildlife Federation relative to water resources management; to the Committee on Environment and Public Works.

POM–450. A resolution adopted by the board of commissioners of Columbus County, NC, relative to welfare reform; to the Committee on Finance.

POM–451. A petition from a citizen of the State of Texas relative to a Constitutional Convention; to the Committee on the Judiciary.

POM–452. A resolution adopted by the council of the city of Atlanta, GA, relative to drug abuse prevention programs; to the Committee on Labor and Human Resources.

POM–453. A concurrent resolution adopted by the legislature of the State of Mississippi; to the Committee on the Judiciary.

SENATE CONCURRENT RESOLUTION NO. 547

A concurrent resolution post-ratifying amendment XIII to the Constitution of the United States prohibiting the practice of slavery within the United States except as punishment for a crime whereof the party shall have been duly convicted; and for related purposes.

Whereas, the Thirty-Eighth Congress of the United States, on February 1, 1865, by the required vote of two-thirds of the membership of both houses thereof, did propose to the legislatures of the several states an amendment to the Constitution of the United States which reads as follows:

"AMENDMENT XIII

"Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

"Section 2. Congress shall have power to enforce this article by appropriate legislation."; and

Whereas, Amendment XIII officially became part of the United States Constitution on December 6, 1865, when the General Assembly of the State of Georgia furnished that amendment's pivotal twenty-seventh ratification, there being at the time thirty-six states in the Union; and

Whereas, it is common for state legislatures to continue to act upon amendments to the U.S. Constitution well after those amendments have already received a sufficient number of ratifications in order to become part of that document; and

Whereas, with specific regard to Amendment XIII, subsequent to the Georgia General Assembly's approval, that amendment was then post-ratified by the legislatures of eight other states which were part of the Union during that era, including that of Delaware in February of 1901, some thirty-five years after Amendment XIII had already been adopted, and that of Kentucky in March of 1976, well over a full century after Amendment XIII had been established as part of our nation's highest law; and

Whereas, with respect to Amendment XIII, Mississippi, until now, has been the only state which was part of the Union well before and long after Amendment XIII was proposed and ratified whose legislature has denied approval of that important amendment to the U.S. Constitution; and

Whereas, the people of present-day Mississippi strongly condemn the unconscionable practice of slavery and firmly believe that it is fitting and proper that official action be taken now to finally place upon Amendment XIII the special approval of the State of Mississippi: Now, therefore, be it

Resolved by the Mississippi State Senate, the House of Representatives concurring therein, That Amendment XIII to the Constitution of the United States, quoted above and transmitted by resolution of the Thirty-Eighth Congress be, and the same hereby is, post-ratified by the Legislature of the State of Mississippi; be it further

Resolved, That Chapter CVIII, General Laws of 1865, in which the Mississippi Legislature, on December 4, 1865, refused to ratify Amendment XIII, is hereby specifically rescinded; and be it further

Resolved, That the Secretary of State of the State of Mississippi transmit properly-attested copies of this concurrent resolution to the Archivist of the United States, pursuant to Pub. L. 98–497; to the Vice-President of the United States, as presiding officer of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to both U.S. Senators and to all five U.S. Representatives from Mississippi with the request that this concurrent resolution's text be reproduced in its entirety in the Congressional Record.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Kathleen A. McGinty, of Pennsylvania, to be a Member of the Council on Environmental Quality to which position she was appointed during the last recess of the Senate.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first

and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON:

S. 1358. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Carolyn*, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SIMPSON:

S. 1359. A bill to amend title 38, United States Code, to revise certain authorities relating to management and contracting in the provision of health care services; to the Committee on Veterans Affairs.

By Mr. BENNETT (for himself, Mr. DOLE, Mr. LEAHY, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. FRIST, Mr. SIMON, Mr. HATCH, Mr. GREGG, Mr. STEVENS, Mr. JEFFORDS, Mr. KOHL, Mr. DASCHLE, and Mr. FEINGOLD):

S. 1360. A bill to ensure personal privacy with respect to medical records and health care-related information, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. COCHRAN, and Mr. SIMPSON):

S.J. Res. 39. A joint resolution to provide for the appointment of Howard H. Baker, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S.J. Res. 40. A joint resolution to provide for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S.J. Res. 41. A joint resolution to provide for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON:

S. 1359. A bill to amend title 38, United States Code, to revise certain authorities relating to management and contracting in the provision of health care services; to the Committee on Veterans' Affairs.

THE VETERANS HEALTH CARE MANAGEMENT AND CONTRACTING FLEXIBILITY ACT OF 1995

● Mr. SIMPSON. Mr. President, it is a great pleasure for me, as chairman of the Senate Veterans' Affairs Committee, to introduce today the Veterans Health Care Management and Contracting Flexibility Act of 1995. This legislation, Mr. President, would free the Department of Veterans Affairs [VA] from a number of statutory restrictions which unnecessarily limit its authority to contract for health care-related services. It would also ease and clarify current reporting requirements which excessively impede VA's ability to manage its own affairs.

What this bill would accomplish is best understood by considering, first, the health care environment within which all health care providers—including VA—must operate today, and then the state of the law under which VA attempts to so operate. If there is any certainty today with respect to health care, it is this: those who pay for health care—whether those payers be State or Federal Government agencies, insurance carriers or health maintenance organizations, or better informed consumers drawing, perhaps some day, from health savings accounts or simply from their own bank accounts—will no longer tolerate the unrestrained cost inflation that they have been forced to put up with in the past. All health care providers, therefore, are now—and will continue to be—under unprecedented pressure to rein in costs and find operating efficiencies so that they can compete in an increasingly cost sensitive environment.

In light of these realities, all now agree that health care providers must restrain the growth of—or affirmatively cut—costs. One sure way of doing that is to share certain resources—including, but not necessarily limited to, high tech medical resources—lest there be wasteful duplications in expenditures and effort within local markets. For example, it has become increasingly common for one hospital or practice group to sell, for example, Magnetic Resonance Imaging [MRI] services to another, while buying other diagnostic services from the same purchaser.

Like any health care provider, VA medical centers ought to be able to share, buy and swap all sorts of services with other community providers. But they cannot fully capitalize on such opportunities under current law.

Presently, VA can only share or purchase ''medical'' services. It cannot share or purchase other critical services, for example, risk assessment services, that all health care providers must either buy or provide ''in house.'' Even within the narrow authority allowing only ''medical'' services to be shared or purchased, there is an unnecessary restriction. VA cannot purchase or share any medical resource; it can only purchase or share ''specialized'' medical resources.

And that is not all, Mr. President; there is further restriction imposed upon VA. VA medical centers are not free to purchase from, or share with, any and all health care providers they might find in the local community. They can only ''partner up'' with—and, here, I quote from statute—''health-care facilities (including organ banks, blood banks, or similar institutions), research centers, or medical schools.'' 38 U.S.C. §8153. This restrictive legal rubric does not extend to VA authority to enter into sensible sharing arrangements with other potential partners such as HMOs, insurance carriers or other ''health plans,'' or with individual physicians or other individual service providers.

One provision of my bill, Mr. President, would cut through this legal thicket by expanding significantly VA's current sharing authority. In summary, VA would be authorized to share, purchase or swap any resources with any local provider. VA could enter into contracts for any and all ''health care resources,'' a term which is considerably broader than the ''specialized medical resource'' limitation under which VA now operates. That term would include such resources, but would also include nonspecialized ''hospital care,'' ''any other health-care service,'' and any other ''health-care support or administration resource.''

Further, VA would be authorized to buy from, or share with, any ''non-Departmental health care provider''—a term which would include the ''health-care facilities'' and ''research centers and medical schools'' with which VA may not contract, but which would also include other ''organizations, institutions, or other entities or individuals that furnish health-care resources,'' and also ''health care plans and insurers.''

Thus, Mr. President, my bill seeks to open up to VA an entire new world of potential sharing partners and sharing opportunities. While VA would not have totally unfettered authority to buy and sell services—for example, VA would be required to ensure that any such arrangements not diminish services made available to its veteran patients—it is my intention that VA be freed from restrictions which were applied when VA tried to do everything itself ''in-house.'' There was a time, perhaps, when VA could afford to try to be everything to everyone, but it cannot do so now. No modern provider can afford that mentality today.

I note for the RECORD, Mr. President, that VA has requested the expanded legal authority that I propose today. But it has done so in the context of a much larger bill, S. 1345, that I introduced at VA's request on October 19, 1995. The main thrust of S. 1345 is so-called ''eligibility reform,'' that is, a broad scale revision of current statutes defining who shall be eligible for what VA medical services. That issue, Mr. President, is an extremely thorny one inasmuch as, lying at its very center, are very difficult judgements about who shall have priority over whom in securing VA health care in a period of limited resources. The Committee on Veterans' Affairs intends to take this critical issue up, but it will take time to sort out conflicting claims to priority to such limited resources. I think we ought to proceed now to streamline the statutes that restrict VA's sharing authority—an action which, in my view, can be taken now, and will made sense whether or not we are able to accomplish ''eligibility reform.''

My bill would do more, Mr. President. As I have pointed out, VA now has authority—though authority that is, in my view, too narrow—to contract for ''specialized medical resources.'' Even so, however, VA medical centers are statutorily barred from ''contracting out'' the very same services. 38 U.S.C. §8110(c). In addition, they may not contract out activities that are ''incident to direct patient care.'' Id. Finally, VA medical centers may contract out other ''activities'' at VA

medical centers, for example, grounds' maintenance services—but only if VA leaps through a series of substantive and procedural hoops that plainly impede the contracting process.

Under my reading of the law, it is apparently acceptable, under 38 U.S.C. §8153, for a VA medical center to contract for supplemental ''specialized'' medical services—let us say anesthesiology services—so long as the medical center does not contract out all such services. This distinction, Mr. President, makes no sense to me—and, as I will discuss in a moment, apparently makes no sense to the Congress any longer. Further, it makes no sense to me that VA cannot contract out services that are ''incident to direct care''—assuming one can identify the legal boundaries of activities that are merely ''incidental.'' To my way of thinking, if ''direct care'' activities ought to be shared and purchased without significant restriction—as VA espouses in recommending modifications to 38 U.S.C. §8153—they ought to be subject to purchase wholly by the medical center through the ''contracting out'' process. And if ''direct care'' activities ought to be subject to contracting, then, clearly, services that are ''incidental'' to such activities should be too.

Of course, Mr. President, what is true for direct care services—services which go to the core of what VA does—is also true for other activities at VA medical centers: all such activities ought to be subject to contracting if contracting makes economic sense. We can afford no other standard. Unnecessary impediments to contracting—such as those set up by 38 U.S.C. §8110(c)—ought to be swept away.

As I noted a moment ago, the Congress has apparently come to that conclusion already. In the 104th Congress, we suspended application of restrictive aspects of section 8110(c) through fiscal year 1999. See 38 U.S.C. §8110(c)(7). Mr. President, it is clear to us all that VA will not be under less budgetary pressure in the year 2000 than it is now. We ought not to indulge the fiction that VA will be able to afford to hold all activities ''in house'' then, if it cannot afford to do so now. In short, we should have repealed section 8110(c) last year—and we ought to do so now.

Finally, Mr. President, I note another restrictive provision of law that ought to be swept away—or at least narrowed—now. Under current law, VA is precluded from putting into effect certain field facility ''administrative reorganizations''—essentially, those which will result in a force reduction of 15 percent or more at any particular site—unless it has first given the Congress 90-days notice computed to count only those days when both Chambers of Congress are in session. 38 U.S.C. §510.

Two difficulties arising from this provision of law came into focus earlier this year when VA's Under Secretary for Health, Doctor Ken Kizer, submitted a proposal to reorganize VA's 172 medical centers into 22 ''Veterans Integrated Service Networks'' [VISNs]. While Doctor Kizer had briefed Congress extensively on his sensible reorganization model during its development, he still had to wait more than 3 months after the announcement of the reorganization before he could, by law, take any ''action to carry out such administrative reorganization.'' 38 U.S.C. §510(b). Worse, since the statute specifies that the 90-day ''notice and wait'' period runs only when both bodies of Congress are in session, Id., he—and we—were unable to determine when the 90-day notice would expire since no one was able to know when either body of the Congress might recess.

Such obstructionism by the Congress is, in my view, most unfortunate and unseemly. I really think that we ought to grant more trust to the senior officials we confirm than is reflected in this statute. Yet, I remain sensitive to the Members' needs to know if a field office reorganization will adversely affect a significant number of their constituents. Therefore, I do not propose today that this provision of law be totally repealed. I do propose, however, that we reduce the ''notice and wait'' period to 45 calendar days. That period, I believe, is sufficient to allow Senators and House Members an opportunity to assess the impact of a given reorganization on their constituents.

To recap, Mr. President, my bill would expand VA's authority to share, purchase and swap resources, as is necessary to meet the challenges of 21st century medicine. And it would remove an excessive restriction on VA's right to organize and station its employees efficiently. These measures are dictated by common sense and are, in the main, supported by VA. I request the support of this body.

I request unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Veterans Health Care Management and Contracting Flexibility Act of 1995''.

SEC. 2. WAITING PERIOD FOR ADMINISTRATIVE REORGANIZATIONS.

Section 510(b) of title 38, United States Code, is amended—

(1) in the second sentence, by striking out ''90-day period of continuous session of Congress following'' and inserting in lieu thereof ''45-day period beginning on''; and

(2) by striking out the third sentence.

SEC. 3. REPEAL OF LIMITATIONS ON CONTRACTS FOR CONVERSION OF PERFORMANCE OF ACTIVITIES OF DEPARTMENT OF HEALTH-CARE FACILITIES.

Section 8110 of title 38, United States Code, is amended by striking out subsection (c).

SEC. 4. REVISION OF AUTHORITY TO SHARE MEDICAL FACILITIES, EQUIPMENT, AND INFORMATION.

(a) STATEMENT OF PURPOSE.—The text of section 8151 of title 38, United States Code, is amended by read as follows:

''It is the purpose of this subchapter to improve the quality of health care provided veterans under this title by authorizing the Secretary to enter into agreements with health-care providers in order to share health-care resources with, and receive health-care resources from, such providers while ensuring no diminution of services to veterans. Among other things, it is intended by these means to strengthen the medical programs at Department facilities located in small cities or rural areas which facilities are remote from major medical centers.''.

(b) DEFINITIONS.—Section 8152 of such title is amended—

(1) by striking out paragraphs (1), (2) and (3) and inserting in lieu thereof the following new paragraphs (1) and (2):

''(1) The term 'health-care resource' includes hospital care (as that term is defined in section 1701(5) of this title), any other health-care service, and any health-care support or administrative resource.

''(2) The term 'health-care providers' includes health-care plans and insurers and any organizations, institutions, or other entities or individuals that furnish health-care resources.''; and

(2) by redesignating paragraph (4) as paragraph (3).

(c) AUTHORITY TO SECURE HEALTH-CARE RESOURCES.—(1) Section 8153 of such title is amended—

(A) by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph (1):

''(1) The Secretary may, when the Secretary determines it to be necessary in order to secure health-care resources which otherwise might not be feasibly available or to utilize effectively health-care resources, make arrangements, by contract or other form of agreement, for the mutual use, or exchange of use, of health-care resources between Department health-care facilities and non-Department health-care providers. The Secretary may make such arrangements without regard to any law or regulation relating to competitive procedures.''; and

(B) by striking out subsection (e).

(2)(A) The section heading of such section is amended to read as follows:

''§8153. Sharing of health-care resources''.

(B) The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 8153 and inserting in lieu thereof the following new item:

''8153. Sharing of health-care resources.''.●

By Mr. BENNETT (for himself, Mr. DOLE, Mr. LEAHY, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. FRIST, Mr. SIMON, Mr. HATCH, Mr. GREGG, Mr. STEVENS, Mr. JEFFORDS, Mr. KOHL, Mr. DASCHLE, and Mr. FEINGOLD):

S. 1360. A bill to ensure personal privacy with respect to medical records and health care-related information, and for other purposes; to the Committee on Labor and Human Resources.

THE MEDICAL RECORDS CONFIDENTIALITY ACT OF 1995

● Mr. BENNETT. Mr. President, today I am introducing the Medical Records Confidentiality Act of 1995. This legislation is one of the many small steps that are needed to reform our health care system. I am pleased that a number of my Republican and Democratic colleagues have joined me in cosponsoring this legislation.

I can think of few other areas in our lives that are more personal and private than is our medical history. Each of us has a relationship with our doctors, nurses, pharmacists, and other health care professionals that is unique and privileged. They may know things about us that we choose not to tell our spouses, children, siblings, parents, or our closest friends. While our medical records may contain nothing out of the ordinary, to us these records should be strictly personal.

S. 1360 aims, first, to provide Americans with greater control over their medical records in terms of confidentiality, access, and security, and second, to provide the health care system with a Federal standard for handling identifiable health information.

Most Americans believe their medical records are protected in terms of confidentiality under Federal law. Most Americans are mistaken. Protecting the confidentiality of our medical records is an expectation that is yet to be guaranteed as a right. This legislation is an opportunity for Congress to act in a bipartisan manner to resolve an important problem within our health care system. Today over 80 percent of our medical records are paper based; however, in the not too distant future all of our medical records will be electronic based.

In my opinion and in the opinion of a number of outside groups such as the Center for Democracy and Technology, American Health Information Management Association, International Business Machines Corporation, Blue Cross and Blue Shield Association, and the American Hospital Association, it is time to put into place the safeguards and security measures needed to protect the integrity and confidentiality of our medical records.

Patients should be assured that the treatment they receive is a matter between themselves and their doctor, regardless if it's a yearly physical, psychiatric evaluation, plastic surgery, or cancer treatment. The majority of patients agree that treatment and billing are the two appropriate uses of medical records. This legislation provides patients the right to limit disclosure of medical records for purposes other than treatment and billing and requires separate authorization forms for treatment, billing and other kinds of disclosures. It also requires providers to keep a record of those to whom they disclose information.

In the hospital, most patients are unaware that their records are accessible to almost any health care provider walking into their room or almost any hospital employee with a computer who can gain access to the hospital's computer system. There are a number of doctors and nurses who refuse to be treated in the hospital where they practice medicine because they know that with a stroke of a keyboard their colleagues will know why they are in the hospital and know they are being treated.

One of the most important issues this legislation addresses is that of access to personal medical records. It is difficult for most of us to understand that in many instances individuals may have great difficulty gaining access to their own medical records. There are no Federal laws regarding access to medical records and only a few States allow patients the right to review and copy their medical records. In many instances, if the medical record is incorrect the patient never has the opportunity to address those errors. This legislation would allow individuals not only access to their records but also the opportunity to address any errors.

This legislation will enable organizations and entities involved in providing health care, or who act as contractors or agents to providers, to abide by one standard for confidentiality. Our health care system grows more complex and sophisticated with each year. Having one standard will simplify the business of health care, reduce the cost of complying with 50 state standards and allow the continuation of research that will improve the efficiency of our health care system.

Currently, the only protection of medical records is under state laws. At this time there are 34 States with 34 different laws to protect these records. Only 28 States provide patients with access to their medical records. My own State of Utah does not have a comprehensive law to protect medical records or provide access. Given the transient nature of our society and that fact that more than 50 percent of the population live on a State boarder, it is vital that we provide a national standard for the protection of medical records.

It is unfair to both the patients and the providers of medical services not to clearly and concisely outline the rights of the patient and define the standards of disclosure. The effort to provide Federal protection of medical records has continued for the last 20 years. Many of the outside groups that have provided assistance to me and my staff have been involved for many of these years. Those groups that have provided assistance include patient right advocates, health care providers, electronic data services, insurance companies, health researchers, States, health record managers—to name just a few. I am grateful to them for their assistance and expertise; without their efforts we would not be here today.

I want to express my appreciation to the two leaders, Senators DOLE and DASCHLE for their support as cosponsors. I am very pleased to have Chairwoman KASSEBAUM and the ranking minority member, Senator KENNEDY of Labor and Human Resources Committee as cosponsors. I want to express my appreciation to Senator LEAHY for his efforts on this legislation. He has been a supporter of this legislation for a number of years and I appreciate his cosponsorship I am also pleased to add Senators HATCH, FRIST, JEFFORDS, STEVENS, GREGG, SIMON, KOHL, and FEINGOLD as original cosponsors. I hope the Senate will act swiftly to hold hearings and to move this legislation through the committee process to the Senate floor for final consideration. I would urge my colleagues to support this legislation and would welcome their cosponsorship.●

● Mrs. KASSEBAUM. Mr. President, I rise today to join Senator BENNETT, the distinguished majority leader, Senators HATCH, KENNEDY, FRIST, LEAHY, SIMON, and others in introducing the Medical Records Confidentiality Act of 1995.

We have spent a great deal of time and energy these last several months—and will spend even more time during the coming weeks—debating changes to the Medicare and Medicaid programs. As we debate these changes, the private health care system continues to literally transform itself overnight.

While health providers still wrestle with multiple paper forms and bulky files, increasingly health information and data is digitally transmitted to multiple databases by high-speed computers over fiber-optic networks. Many Americans believe their private medical records are safely stored in doctors' offices and hospitals. Yet, the evolving health care delivery system and the technological infrastructure necessary to support it has left gaping holes in the patchwork of current State privacy laws and threatened the confidentiality of private medical information.

Let me give just one example that highlights both the promise and the peril of medical information. Recent advances have allowed researchers to identify a growing number of genetic characteristics that place individuals at higher-than-average risk for developing disease. While genetic research provides tremendous opportunities to help us better treat and manage illness, disclosure of genetic information also may place individuals at a greater risk of discrimination in obtaining health coverage for themselves and their families.

The Medical Records Confidentiality Act takes a balanced approach to encouraging the continued development of a world-class health information infrastructure while, at the same time, assuring Americans that their sensitive medical records are protected. The legislation is designed to provide all patients with Federal safeguards for their medical records, whether in paper or electronic form, and to provide doctors, hospitals, insurance companies, managed care companies, and other entities that have access to medical records with clear Federal rules governing when and to whom they may disclose health information.

Mr. President, I applaud Senator BENNETT for taking on such a complex and important issue. I look forward to working with him, and with my colleagues on the Senate Committee on Labor and Human Resources, to see

that this very important piece of legislation is enacted during the 104th Congress.●

Mr. LEAHY. Mr. President, today I join in introducing the Medical Records Confidentiality Act of 1995, with Senator BENNETT, our distinguished colleague from Utah.

For the past several years, I have been engaged in efforts to make sure that Americans' expectations of privacy for their medical records are fulfilled. That is the purpose of this bill.

I do not want advancing technology to lead to a loss of personal privacy and do not want the fear that confidentiality is being compromised to stifle technological or scientific development.

The distinguished Republican majority leader put his finger on this problem last year when he remarked that a compromise of privacy that sends information about health and treatment to a national data bank without a person's approval would be something that none of us would accept. We should proceed without further delay to enact meaningful protection for our medical records and personal and confidential health care information.

I have long felt that health care reform will only be supported by the American people if they are assured that the personal privacy of their health care information is protected. Indeed, without confidence that one's personal privacy will be protected, many will be discouraged from seeking help from our health care system or taking advantage of the accessibility that we are working so hard to protect.

The American public cares deeply about protecting their privacy. This has been demonstrated recently in the American Civil Liberties Union Foundation's benchmark survey on privacy entitled ''Live and Let Live'' wherein three out of four people expressed particular concern about computerized medical records held in databases used without the individual's consent. A public opinion poll sponsored by Equifax and conducted by Louis Harris indicated that 85 percent of those surveyed agreed that protecting the confidentiality of medical records is extremely important in national health care reform. I can assure you that if that poll had been taken in Vermont, it would have come in at 100 percent or close to it.

Two years ago, I began a series of hearings before the Technology and the Law Subcommittee of the Judiciary Committee. I explored the emerging smart card technology and opportunities being presented to deliver better and more efficient health care services, especially in rural areas. Technology can expedite care in medical emergencies and eliminate paperwork burdens. But it will only be accepted if it is used in a secure system protecting confidentiality of sensitive medical conditions and personal privacy. Fortunately, improved technology offers the promise of security and confidentiality and can allow levels of access limited to information necessary to the function of the person in the health care treatment and payment system.

In January 1994, we continued our hearings before that Judiciary Subcommittee and heard testimony from the Clinton administration, health care providers and privacy advocates about the need to improve upon privacy protections for medical records and personal health care information.

In testimony I found among the most moving I have experienced in more than 20 years in the Senate, the subcommittee heard first hand from Representative Nydia Velázquez, our House colleague who had sensitive medical information leaked about her. She and her parents woke up to find disclosure of her attempted suicide smeared across the front pages of the New York tabloids. If any of us have reason to doubt how hurtful a loss of medical privacy can be, we need only talk to our House colleague.

Unfortunately, this is not the only horrific story of a loss of personal privacy. I have talked with the widow of Arthur Ashe about her family's trauma when her husband was forced to confirm publicly that he carried the AIDS virus and how the family had to live its ordeal in the glare of the media spotlight.

We have also heard testimony from Jeffrey Rothfeder who described in his book ''Privacy for Sale'' how a freelance artist was denied health coverage by a number of insurance companies because someone had erroneously written in his health records that he was HIV-positive.

The unauthorized disclosure and misuse of personal medical information have affected insurance coverage, employment opportunities, credit, reputation, and a host of services for thousands of Americans. Let us not miss this opportunity to set the matter right through comprehensive Federal privacy protection legislation.

As I began focusing on privacy and security needs, I was shocked to learn how catch-as-catch-can is the patchwork of State laws protecting privacy of personally identifiable medical records. A few years ago we passed legislation protecting records of our videotape rentals, but we have yet to provide even that level of privacy protection for our personal and sensitive health care data.

Just yesterday the Commerce Department released a report on Privacy and the NII. In addition to financial and other information discussed in that report, there is nothing more personal than our health care information. We must act to apply the principles of notice and consent to this sensitive, personal information.

Now is the time to accept the challenge and legislate so that the American people can have some assurance that their medical histories will not be the subject of public curiosity, commercial advantage or harmful disclosure. There can be no doubt that the increased computerization of medical information has raised the stakes in privacy protection, but my concern is not limited to electronic files.

As policymakers, we must remember that the right to privacy is one of our most cherished freedoms—it is the right to be left alone and to choose what we will reveal of ourselves and what we will keep from others. Privacy is not a partisan issue and should not be made a political issue. It is too important.

I am encouraged by the fact that the Clinton administration clearly understands that health security must include assurances that personal health information will be kept private, confidential and secure from unauthorized disclosure. Early on the administration's health care reform proposals provided that privacy and security guidelines would be required for computerized medical records. The administration's Privacy Working Group of its NII task force has been concerned with the formulation of principles to protect our privacy. In these regards, the President is to be commended.

The difficulties I had with the initial provisions of the Health Security Act, were the delay in Congress' consideration of comprehensive privacy legislation for several more years and the lack of a criminal penalty for unauthorized disclosure of someone's medical records.

Accordingly, back in May 1994, I introduced a bill to provide a comprehensive framework for protecting the privacy of our medical records from the outset rather than on a delayed basis. That bill was the Health Care Privacy Protection Act of 1994, S. 2129. I was delighted to receive support from a number of diverse quarters. We were able to incorporate provisions drawn from last year's Health Care Privacy Protection bill into those reported by the Labor and Human Resources Committee and the Finance Committee. These provisions were, likewise, incorporated in Senator DOLE's bill and Senator Mitchell's bills, indicating that the leadership in both parties acknowledges the fundamental importance of privacy.

Although Congress failed in its attempt to enact meaningful health care reform last Congress, we can and should proceed with privacy protection—whether or not a comprehensive health care reform package is resurrected this year. I am proud to say that the Medical Records Confidentiality Act that Senator BENNETT and I are introducing today, derives from the work we have been doing over the last several years. I am delighted to have contributed to this measure and look forward to our bipartisan coalition working for enactment of these important privacy protections.

Our bill establishes in law the principle that a person's health information is to be protected and to be kept confidential. It creates both criminal

and civil remedies for invasions of privacy for a person's health care information and medical records and administrative remedies, such as debarment for health care providers who abuse others' privacy.

This legislation would provide patients with a comprehensive set of rights of inspection and an opportunity to correct their own records, as well as information accounting for disclosures of those records.

The bill creates a set of rules and norms to govern the disclosure of personal health information and narrows the sharing of personal details within the health care system to the minimum necessary to provide care, allow for payment and to facilitate effective oversight. Special attention is paid to emergency medical situations, public health requirements, and research.

We have sought to accommodate legitimate oversight concerns so that we do not create unnecessary impediments to health care fraud investigations. Effective health care oversight is essential if our health care system is to function and fulfill its intended goals. Otherwise, we risk establishing a publicly sanctioned playground for the unscrupulous. Health care is too important a public investment to be the subject of undetected fraud or abuse.

I look forward to working with my colleagues both here in the Senate and in the House as we continue to refine this legislation. I want to thank all of those who have been working with us on the issue of health information privacy and, in particular, wish to commend the Vermont Health Information Consortium, the Center for Democracy and Technology, the American Health Information Management Association, the American Association of Retired Persons, the AIDS Action Council, the Bazelon Center for Mental Health Law, the Legal Action Center, IBM Corp. and the Blue Cross and Blue Shield Association for their tireless efforts in working to achieve a significant consensus on this important matter.

With Senator BENNETT's leadership and the longstanding commitment to personal privacy shared by Chairman KASSEBAUM and Senator KENNEDY, I have every confidence that the Senate will proceed to pass strong privacy protection for medical records. With continuing help from the administration, health care providers and privacy advocates we can enact provisions to protect the privacy of the medical records of the American people and make this part of health care security a reality for all Americans.

By Mr. MOYNIHAN (for himself, Mr. COCHRAN and Mr. SIMPSON):

S.J. Res. 39. A joint resolution to provide for the appointment of Howard H. Baker, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S.J. Res. 40. A joint resolution to provide for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S.J. Res. 41. A joint resolution to provide for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

APPOINTMENTS AS CITIZEN REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. MOYNIHAN. Mr. President, I introduce three joint resolutions to appoint Howard H. Baker, Jr., Anne D'Harnoncourt and Louis V. Gerstner, Jr., to serve as citizen regents of the Smithsonian Institution. I introduce these Joint-resolutions on behalf of my distinguished colleagues, Senators COCHRAN and SIMPSON, with whom I have the privilege to serve on the Smithsonian's Board of Regents.

Howard Baker, whose reputation is well known among the Members of this body, is a superb public servant. After spending 18 illustrious years in the Senate, during which time he served 4 years as Majority Leader, Senator BAKER went on to become President Reagan's most trusted advisor. He has since returned to private practice, as the senior partner in the law firm of Baker, Donelson, Bearman & Caldwell, but has remained an active leader in the political and business communities. His commitment to both communities is marked by his membership on the Council on Foreign Relations and the Washington Institute of Foreign Affairs and his positions on the boards of Federal Express, United Technologies, and Penzoil. He has most deservedly received the Nation's highest civilian award, the Presidential Medal of Freedom, as well as the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official.

As the distinguished statesman and gifted strategist that he is, Howard Baker would bring to the Smithsonian a voice that can talk to Congress at a time when that is what is most urgently needed. The Institution would benefit immensely from his political and fiscal wisdom, and I urge my colleagues to support his appointment.

Just as Senator Baker would add his expertise on matters political and economic, Ms. Anne D'Harnoncourt would bring to the Smithsonian vast experience in the management and oversight of a large museum. Having served with her for some 15 years on the Board of the Hirshorn Museum, I can think of no person better suited to serve on the Board of Regents.

Ms. D'Harnoncourt has served as an Assistant Curator for the Art Institute of Chicago, a Curator for the Philadelphia Museum of Art, and is currently the George D. Widener Director of the Philadelphia Museum of Art. She has a broad base of expertise in the Arts, and is among the most actively involved in that community. As the Smithsonian continues to broaden its mission within the Sciences, Ms. D'Harnoncourt surely would help the Institution remain focused on its long-standing commitment to the Arts. Her knowledge and experience would be of inestimable value to the Board of Regents, and I eagerly urge her appointment.

Finally, Louis V. Gerstner, Jr., a gifted leader in the business and educational communities. Mr. Gerstner was named chairman and chief executive officer of International Business Machines Corporation on April 1, 1993, prior to which he served for 4 years as chairman and chief executive officer of RJR Nabisco Inc. He received his B.A. from Dartmouth College in 1963, his M.B.A. from Harvard Business School in 1965, and was awarded an honorary doctorate of Business Administration from Boston College in 1994.

Mr. Gerstner has long been an advocate of improving the quality of public education in America. He is the co-author of ''Re-Inventing Education: Entrepreneurship in America's Public Schools'' (Dutton, 1994), which documents public school reforms designed to enable our children to handle the demands of today's complex global economy. At IBM he has re-directed a majority of the company's substantial philanthropic resources to support public school reform. His dedication to reinventing both education and management makes him an ideal candidate to serve on the Smithsonian's Board of Regents.

Mr. President, I hope my colleagues will agree that this profoundly talented triumvirate is most deserving of these appointments, and I urge Senators to support all three resolutions.

● Mr. COCHRAN. Mr. President, I am pleased to join Senators MOYNIHAN and SIMPSON in introducing joint resolutions providing for the appointment of Howard H. Baker, Jr., Anne d'Harnoncourt, and Louis V. Gerstner, Jr., as Citizen Regents of the Smithsonian Institution.

Howard Baker is a distinguished public servant well known in this body. He was a Senator from Tennessee from 1967 to 1985, serving as Minority Leader from 1977 to 1981 and as Majority Leader from 1981 to 1985. He was Chief of Staff to President Reagan in 1987 and 1988 before returning to the private practice of law. He has received the Nation's highest civilian award, the Presidential Medal of Freedom, as well as the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official.

Anne d'Harnoncourt is currently the George D. Widener Director of the Philadelphia Museum of Art, having previously served that museum as Curator of Twentieth Century Art and as Assistant Curator of Twentieth Century Art at the Art Institute of Chicago. A Fellow of the American Academy of Arts and Sciences, she is a member of numerous advisory committees and boards, including the Board of Directors of The Henry Luce Foundation and the Board of Overseers of the

Graduate School of Fine Arts of the University of Pennsylvania.

Louis V. Gerstner, Jr., is Chairman and Chief Executive Officer of International Business Machines Corp. He previously served as chairman and chief executive officer of RJR Nabisco and as president of American Express Company. He is a director of The New York Times Company, Bristol-Myers Squibb Company, the Japan Society, and Lincoln Center for the Performing Arts. A lifetime advocate of the importance of quality education, he has redirected a majority of IBM's substantial philanthropic resources in the United States to the support of public school reform.

I urge Senators to support the resolutions of appointment of these outstanding Americans.●

ADDITIONAL COSPONSORS

S. 434

At the request of Mr. KOHL, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal limitations on hours of service.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 704

At the request of Mr. SIMON, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 837

At the request of Mr. WARNER, the name of the Senator from Louisiana [Mr. JOHNSTON]] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 1032

At the request of Mr. ROTH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1032, a bill to amend the Internal Revenue Code of 1986 to provide nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.

S. 1166

At the request of Mr. LUGAR, the names of the Senator from Nebraska [Mr. EXON], the Senator from North Carolina [Mr. HELMS], the Senator from Oklahoma [Mr. NICKLES], the Senator from California [Mrs. FEINSTEIN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Idaho [Mr. CRAIG], the Senator from Kentucky [Mr. FORD], the Senator from Mississippi [Mr. LOTT], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1200

At the request of Ms. SNOWE, the names of the Senator from Illinois [Mr. SIMON], the Senator from Wisconsin [Mr. FEINGOLD], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of S. 1200, a bill to establish and implement efforts to eliminate restrictions on the enclaved people of Cyprus.

S. 1228

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1228, a bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1277

At the request of Mr. BROWN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1277, a bill to provide equitable relief for the generic drug industry, and for other purposes.

S. 1285

At the request of Mr. SMITH, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1285, a bill to reauthorize and amend the Comprehensive Environmental Recovery, Compensation, and Liability Act of 1980, and for other purposes.

S. 1289

At the request of Mr. KYL, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 2389, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

S. 1322

At the request of Mr. DASCHLE, his name was added as a cosponsor of S. 1322, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

At the request of Mr. KYL, the names of the Senator from Wisconsin [Mr. KOHL], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 1322, supra.

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 1322, supra.

At the request of Mr. GRAHAM, his name was added as a cosponsor of S. 1322, supra.

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 1322, supra.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

AMENDMENT NO. 2941

At the request of Mr. DASCHLE, his name was added as a cosponsor of amendment No. 2941 proposed to S. 1322, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

At the request of Mr. WELLSTONE, his name was added as a cosponsor of amendment No. 2941 proposed to S. 1322, supra.

AMENDMENTS SUBMITTED

THE BALANCED BUDGET RECONCILIATION ACT OF 1995

BYRD (AND DORGAN) AMENDMENT NO. 2942

(Ordered to lie on the table.)

Mr. BYRD (for himself and Mr. DORGAN) submitted an amendment intended to be proposed by them to the bill (S. 1357) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996; as follows:

At the appropriate place in the bill, insert the following:

SEC. . DEBATE ON A RECONCILIATION BILL AND CONFERENCE REPORT.

(a) CONSIDERATION OF A BILL.—Section 310(e)(2) of the Congressional Budget Act of 1974 is amended by striking 20 ''hours'' and inserting ''50 hours''.

(b) CONSIDERATION OF A CONFERENCE REPORT.—Section 310(e)(2) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''Debate in the Senate on a conference report on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeal in connection therewith, shall be limited to not more than 20 hours.''.

THE TEMPORARY FEDERAL JUDGESHIPS ACT

SANTORUM AMENDMENT NO. 2943

Mr. SANTORUM proposed an amendment to the bill (S. 1328) to amend the commencement dates of certain temporary Federal judgeships; as follows:

Strike all after ''section'' and insert in lieu thereof the following:

. SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(a) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99–0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced

federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was ''using the independent numbers of the Congressional Budget Office'' because ''the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.''

(6) President Clinton further stated: ''Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them.''

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in ''non-health entitlements by 2002 by reforming welfare, farm and other programs.''

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact the President's budget as revised on June 13, 1995.

WELLSTONE AMENDMENT NO. 2944

Mr. WELLSTONE proposed an amendment to amendment No. 2943 proposed by Mr. SANTORUM to the bill S. 1328, supra; as follows:

Strike all after the first word and insert, in lieu thereof, the following—

In the event provisions of the FY 1996 Budget Reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of FY 1996, the Congress shall revisit the provisions of said bill which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

HATCH AMENDMENT NO. 2945

Mr. HATCH proposed an amendment to amendment No. 2943 proposed by Mr. SANTORUM to the bill S. 1328, supra; as follows:

In the pending amendment, strike all after the first word and insert in lieu thereof the following:

. SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(A) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99–0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was ''using the independent numbers of the Congressional Budget Office'' because ''the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.''

(6) President Clinton further stated: ''Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them.''

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in ''non-health entitlements by 2002 by reforming welfare, farm and other programs.''

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(13) President Clinton stated on October 17, 1995, that, ''Probably there are people . . . still mad at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too.''

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact President Clinton's budget as revised on June 13, 1995.

FORD AMENDMENT NO. 2946

Mr. FORD proposed an amendment to the bill S. 1328, supra; as follows:

At the end of the bill add the following new section:

SEC. 2. ADDITIONAL FEDERAL DISTRICT JUDGE FOR THE WESTERN DISTRICT OF KENTUCKY.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the of the Senate, 1 additional district judge for the western district of Kentucky.

(b) EASTERN DISTRICT.—The district judgeship for the eastern and western districts of Kentucky (as in effect before the date of the enactment of this Act) shall be a district judgeship for the eastern district of Kentucky only, and the incumbent of such judgeship shall hold his office under section 133 of title 28, United States Code, as amended by this section.

(c) TABLES.—In order that the table contained in section 133 of title 28, United States Code, shall reflect the change in the total number of permanent district judgeships authorized under this section, such table is amended by amending the item relating to Kentucky to read as follows:

''Kentucky:

''Eastern	5
''Western	5''.

THE HARRY KIZIRIAN POST OFFICE BUILDING DESIGNATION ACT OF 1995

STEVENS (AND OTHERS) AMENDMENT NO. 2947

Mr. FRIST (for Mr. STEVENS, for himself, Mr. SIMON, and Mr. PRYOR) proposed an amendment to the bill (H.R. 1606) to designate the United States Post Office building located at 24 Corliss Street, Providence, RI, as the ''Harry Kizirian Post Office Building''; as follows:

At the end of the bill add the following new section:

SEC. 3. SALARY ADJUSTMENTS FOR THE BOARD OF GOVERNORS OF THE UNITED STATES POSTAL SERVICE.

(a) IN GENERAL.—Section 202(a) of title 39, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)'';

(2) by striking out the fifth and sixth sentences; and

(3) by adding at the end thereof the following new paragraph:

''(2)(A) Each Governor shall receive—

''(i) a salary of $30,000 a year as adjusted by subparagraph (C);

''(ii) $300 a day for the not more than 42 days each year, for each day such Governor—

''(I) attends a meeting of the Board of Governors; or

''(II) performs the official business of the Board as approved by the Chairman: and

''(iii) reimbursement for travel and reasonable expenses incurred in attending meetings and performing the official business of the Board.

''(B) Nothing in subparagraph (A) shall be construed to limit the number of days of meetings each year to 42 days.

''(C) Effective on the first day of the first applicable pay period beginning on or after the date on which an adjustment takes effect under section 5303 of title 5 in the rates of pay under the General Schedule, the salary of each Governor shall be adjusted by the percentage equal to the percentage adjustment in such General Schedule rates of pay.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act.

Amend the title so as to read: ''An Act to designate the United States Post Office building located at 24 Corliss Street Providence, Rhode Island, as the ''Harry Kizirian Post Office Building'', to amend chapter 2 of title 39, United States Code, to adjust the salary of the Board of Governors of the United States Postal Service, and for other purposes.''

NOTICE OF HEARING

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management to receive testimony from academicians and State and local officials on alternatives to Federal forest land management. Testimony will also be sought comparing land management cost and benefits on Federal and State lands.

The hearing will take place on November 2, 1995, at 9:30 a.m. This will be a continuation of the hearing that begins on October 26, in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HATCH. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet Tuesday, October 24, at 2:30 p.m., to consider S. 1316, the Safe Drinking Water Act Amendments of 1995, and other pending business.

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

COMMITTEE THE JUDICIARY

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 2 p.m., in room 226 Senate Dirksen Office Building to consider nominations.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 2:30 p.m. to hold a member briefing on intelligence matters.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 5 p.m. to hold a closed conference with the House Permanent Select Committee on Intelligence on the fiscal year 1996 intelligence authorization bill (H.R. 1655).

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

SUBCOMMITTEE ON THE ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on the Administrative Oversight and the Courts of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 10 a.m., in the Senate Dirksen Building room 226 to hold a hearing on S1101, Federal Courts Improvement Act.

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

ADDITIONAL STATEMENTS

RECOGNITION OF INDONESIA'S ACHIEVEMENTS

● Mr. BOND. Mr. President, this past August, Indonesia, a longtime Asian friend and ally of the United States marked 50 years of independence. Over those 50 years, the United States has been able to count on this strong ally for support in a wide range of areas, including its anti-Communist commitment, its support during the Vietnam war, its backing for United States and United Nations operations in countries such as Somalia and Cambodia, and its role in advancing trade liberalization in the Asia Pacific Economic Cooperation [APEC].

Over the past 25 years, under the direction of President Soeharto, this nation of 13,000 islands and 198 million people has achieved some of the most impressive economic growth the world has seen. Let me give you some numbers to emphasize this point: a 7-percent average annual growth in the GDP since 1967, an increase in the per capita GNP from less than $70 in 1967 to almost $900 today, a life expectancy rate that has risen from 41 in 1967 to 61 in 1992, and a dramatic decrease in both the infant mortality rate and illiteracy rate.

The Government of Indonesia is continuing to move ahead with aggressive and impressive projects to develop further the nation's quality of life, its infrastructure, and its capabilities and competitiveness for the next millennium. Over the next 5 years, these projects include: increasing the telephone penetration in the country by 8 million lines; increasing power generation by 11,000 megawatts; implementing a $13 billion basic transportation infrastructure program that will touch almost every sector, including, ports, airports, railways, roadways and a rail system through the city of Jakarta; and a water and sanitation plan to bring clean water to a larger portion of the population.

In all, the country is looking at approximately $53 billion in new works and heavy maintenance, engineering and support systems development over the next 5 years.

I think my colleagues would agree with me that this is an impressive program of development.

As these projects move forward, the Government of Indonesia is also working to make the country an easier place to do business by streamlining investment regulations and removing import license requirements; thus making it easier for foreign firms to participate in this booming market's economy.

And for anyone who questions whether the changes and opportunities created in this environment have benefited U.S. business, the answer is yes. In fact U.S. firms have reacted emphatically with exports from the U.S. rising 113 percent—from $2.3 billion in 1989 to $4.9 billion in 1994. For the U.S. economy that means that more than 95,000 jobs are supported by exports to Indonesia. And the United States Government has participated in supporting United States industries' interest in Indonesia by naming this emerging Asian tiger one of the 10 big emerging markets [BEM] for economic growth and by opening one of the first overseas U.S. Export Assistance Centers in Jakarta.

As Indonesia has gained a growing presence in the economic arena, President Soeharto has also brought the country into a more active role in the international community. As chairman of the Non-Aligned Movement [NAM], Mr. Soeharto has been a moderating voice in the developing world on the benefits of an active dialog between developed and lesser developed countries. Indonesia has also taken a leading role in promoting peace and security in the Asia-Pacific region. From its role in helping to settle the Cambodian conflict, where Indonesians made up one of the largest U.N. peacekeeping contingencies, to its efforts to establish an Asia dialog to settle the Spratly Islands territorial dispute, President Soeharto's efforts have been instrumental in helping promote harmony in a rapidly evolving region.

In recognition of his tireless efforts to bring economic prosperity to Indonesia while also engaging the country in a prominent international political role, President and Mrs. Soeharto are being honored later this week in Washington at a dinner hosted by CARE. It is an honor they richly deserve.

The strong relationship between the United States and Indonesia is indeed a benefit for both our countries. We both have prospered and continue to prosper from our close ties and common interests.

I think I also speak for many of my colleagues when I say that the achievements and growth of Indonesia over the past 25 years are truly impressive by any standards. I congratulate President Soeharto and the people of Indonesia on the many achievements they have made since independence and wish them continued success for the next 50 years.

I am confident that the strong relationship between our two great nations will continue not only for the next 50 years but well beyond.●

THE AMERICAN JOBS AND MANUFACTURING PRESERVATION ACT

● Mr. LEAHY. Mr. President, I rise as an original cosponsor and strong supporter of Senator DORGAN's bill, the ''American Jobs and Manufacturing Preservation Act.''

Mr. President, many people in Washington talk about cutting corporate welfare. But my colleague from North Dakota has actually written legislation that will cut corporate welfare by $1.5 billion over the next 5 years. I applaud his commitment to ending corporate welfare as we know it.

Over the years, big business and other special interests have lobbied hard for tax subsidies for specific industries. And, unfortunately, they have been successful on occasion. These wasteful special interest tax subsidies do not increase economic growth. To the contrary, wasteful special interest tax subsidies only add to our deficit, which puts a drag on our whole economy.

Like an old-fashioned pork sausage, it is amazing what is actually in our Internal Revenue Code. This bill repeals one of the most infamous examples of ''corporate pork'' in our tax laws today—the tax deferral on income of controlled foreign corporations .

Our tax laws allow U.S. firms to delay tax on income earned by their foreign subsidiaries until the profit is transferred to the United States Many U.S. multinational corporations naturally drag their feet when transferring profits back to their corporate headquarters to take advantage of this special tax break. But the millions of small business owners—who make up over 95 percent of businesses in my home State of Vermont—do not have the luxury of paying their taxes later by parking profits in a foreign subsidiary.

The American Jobs and Manufacturing Preservation Act closes this tax loophole by taking aim at past abuses. It would end the tax deferral where U.S. multinationals produce abroad and then ship those same products back to the United States As a result, the bill terminates the current tax incentive for corporations to ship jobs overseas.

The Progressive Policy Institute, a middle-of-the-road think tank, along with the liberal Center On Budget And Policy Priorities and the conservative Cato Institute, have all recommended that Congress repeal the tax deferral on income of controlled foreign corporations. Budget experts on the right, center, and left all agree that this tax deferral is a pork-barrel tax loophole just as wasteful as pork-barrel programs.

Mr. President, I urge my colleagues to support the American Jobs and Manufacturing Preservation Act. ●

CONGRATULATING DR. SAM WILLIAMS FOR WINNING THE 1995 MEDAL OF TECHNOLOGY

● Mr. ABRAHAM. Mr. President, I rise today to congratulate Dr. Sam Williams, Chairman and Chief Executive Officer of Williams International, on his winning the 1995 Medal of Technology. This medal is given by the U.S. Department of Commerce in recognition of Dr. Williams' unequaled achievements as a gifted inventor, tenacious entrepreneur, risk-taker and engineering genius in making the United States of America No. 1 in small gas turbine engine technology and competitiveness, and for his leadership and vision in revitalizing the U.S. general aviation business, jet and trainer jet aircraft industry.

I can think of no one who deserves this recognition more than Dr. Williams. He pioneered the design and development of small gas turbine engines at a time when most companies were preoccupied with developing larger engines. He blazed a new trail by developing engines for small, lower cost aircraft, missiles, and unmanned vehicles such as the Tacit Rainbow and TSSAM.

And Dr. Williams did not stop there. He led the design and development of the FJ44 turbofan engine; an engine that makes possible a new class of lightweight business jet aircraft and new low-cost military and civil trainers.

Dr. Williams has contributed greatly to America's technological advancements, to our defense and to our provision of good jobs to our citizens. He has brought numerous high paying, long lasting jobs to the Detroit metropolitan area and his continued success promises continued advancement for America's technology and her workers. ●

UNITED STATES POLICY ON HUMAN RIGHTS IN CHINA

Mr. FEINGOLD. Mr. President, this week President Clinton will be meeting in New York with Chinese President Jiang Zemin. We can recall that about this time last year, in Indonesia, President Clinton also met with Jiang Zemin; going into that meeting the President declared: ''the United States, perhaps more than any other country in the world, consistently and regularly raises human rights issues.'' I expect that in the reports coming out of this latest meeting we will hear that President Clinton once again took issue with the Chinese leadership for the egregious abuse of human rights in China.

I only wish, Mr. President, that a result of these exchanges would be an improvement in China's human rights record. Unfortunately, there has been little change in Chinese behavior in this regard.

We can begin by reading the administration's own State Department Human Rights Report, which acknowledges that in 1994 ''widespread and well-documented'' human rights abuses continued unabated and that in many respects the situation ''has deteriorated.'' We can recall the highly publicized case of American human rights activist Harry Wu, imprisoned by the Chinese Government only months after the November 1994 Clinton-Jiang Zemin meeting. Wu, subsequently expelled by the Chinese Government, has worked for years to document and expose horrific practices such as the harvest of body parts from executed prisoners for use in transplants.

If Wu—a citizen of the world's only remaining superpower and a country whose riches, technological expertise and markets are needed by the Chinese Government—could be treated with such impunity, how can it be for the Chinese human rights proponent who is laboring in relative anonymity? In the past year Human Rights Watch/Asia reports that several activists have disappeared, others sent into internal exile, and still others detained while their houses were ransacked for the simple crime of speaking out in favor of political openness. Furthermore, two prominent dissidents who were released just prior to the 1994 decision on MFN, Wei Jeisheing and Chen Zemin, are back in custody: at least, we assume Wei Jeisheing is in custody—he has been missing since April of this year.

Mr. President, I believe that the lack of progress on human rights is attributed to the fact that U.S. actions have been inconsistent with the spoken principle. Rather than seek to impose a cost on China for its abuse, rewards are bestowed on the leadership. I refer, of course, of the renewal in June of most-favored-nation [MFN] status for China. The President's announcement continued what I believe to be an ill-considered abandonment of a policy linking MFN status—or other economic benefit—for China to an improvement of its human rights situation. The administration argued that U.S. business investment and overall improved economic ties would lead the Chinese in the right direction on human rights. In fact, the Chinese leadership appears to have taken the exact opposite lesson: that the United States puts corporate interests, market access, and profits before fundamental rights.

Mr. President, we have in MFN a weapon that the Chinese fear. Whenever it appears that its status is in question, they cancel high-level official contacts. They threaten to limit the access of American corporations lusting after a potentially huge market. Why are the Chinese so visceral in their reaction? The $20 billion trade surplus China has with us, a surplus it uses to continue financing its economic development, might have something to do with it.

It is clear that the Chinese care deeply about this trade relationship and the benefits it brings to their economy. We have leverage, and we should use it to oppose egregious human rights abuses,

such as slave labor, torture, and disappearances of Chinese citizens.

President Clinton did this effectively earlier this year when, in response to flagrant Chinese piracy violations against United States companies, President Clinton threatened to slap $1.1 billion worth of trade sanctions on China. Rather than face economic retaliation, the Chinese immediately promised to make statutory changes to address this problem. I am proud that the United States was willing to stand up for our software industry; it should do the same for human beings.

This is one of the reasons I introduced legislation in July to revoke MFN status from China because of its human rights record. We have had strong bipartisan support for linking MFN and human rights in the past. Taking that action will get Chinese attention in a concrete manner, in a way that words have not and cannot, and I renew my call to have such a resolution passed and supported by the administration.

Alternatively, I would welcome another strategy the administration could put forth for how human rights can be more effectively protected and promoted in China. Clearly, raising the issue has not been successful. This week's meeting is an opportunity to pursue this issue more aggressively, and I would urge the President to do so.●

CHANGES TO THE BUDGET RESOLUTION REVENUE ALLOCATIONS

SIX — Continued S 15584

● Mr. DOMENICI. Mr. President, upon the reporting of a reconciliation bill, section 205(b) of House Concurrent Resolution 67 requires the chairman of the Senate Budget Committee to appropriately revise the budgetary allocations and aggregates to accommodate the revenue reductions in the reconciliation bill.

Pursuant to Sec. 205(b) of House Concurrent Resolution 67, the 1996 budget resolution, I hereby submit revisions to the first- and 5-year revenue aggregates contained in House Concurrent Resolution 67 for the purpose of consideration of S. 1357, the Balanced Budget Reconciliation Act of 1995.

The material follows:

	1996	1996–2000
Current revenue aggregates	$1,042,500,000,000	$5,691,500,000,000
Revised revenue aggregates	1,040,257,000,000	5,565,353,000,000

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The text of the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes, as passed by the Senate on October 19, 1995, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 927) entitled ''An Act to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short Title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

Sec. 101. Statement of Policy.
Sec. 102. Authorization of support for democratic and human rights groups and international observers.
Sec. 103. Enforcement of the economic embargo of Cuba.
Sec. 104. Prohibition against indirect financing of Cuba.
Sec. 105. United States opposition to Cuban membership in international financial institutions.
Sec. 106. United States opposition to termination of the suspension of the Government of Cuba from participation in the Organization of American States.
Sec. 107. Assistance by the independent states of the former Soviet Union for the Government of Cuba.
Sec. 108. Television broadcasting to Cuba.
Sec. 109. Reports on commerce with, and assistance to, Cuba from other foreign countries.
Sec. 110. Importation safeguard against certain Cuban products.
Sec. 111. Reinstitution of family remittances and travel to Cuba.
Sec. 112. News bureaus in Cuba.
Sec. 113. Impact on lawful United States Government activities.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.
Sec. 202. Assistance for the Cuban people.
Sec. 203. Implementation; reports to Congress.
Sec. 204. Termination of the economic embargo of Cuba.
Sec. 205. Requirements for a transition government.
Sec. 206. Factors for determining a democratically elected government.
Sec. 207. Settlement of outstanding United States claims to confiscated property in Cuba.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of approximately 60 percent in the last 5 years as a result of—

(A) the reduction in subsidies from the former Soviet Union;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the precipitous decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba predominantly on commercial terms.

(2) At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of Cuba's economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba or to adopt any economic or political reforms that would lead to democracy, a market economy, or an economic recovery.

(3) The repression of the Cuban people, including a ban on free and fair democratic elections and the continuing violation of fundamental human rights, has isolated the Cuban regime as the only nondemocratic government in the Western Hemisphere.

(4) As long as no such economic or political reforms are adopted by the Cuban Government, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

(5) Fidel Castro has defined democratic pluralism as ''pluralistic garbage'' and has made clear that he has no intention of permitting free and fair democratic elections in Cuba or otherwise tolerating the democratization of Cuban society.

(6) The Castro government, in an attempt to retain absolute political power, continues to utilize, as it has from its inception, torture in various forms (including psychiatric abuse), execution, exile, confiscation, political imprisonment, and other forms of terror and repression as most recently demonstrated by the massacre of more than 40 Cuban men, women, and children attempting to flee Cuba.

(7) The Castro government holds hostage in Cuba innocent Cubans whose relatives have escaped the country.

(8) The Castro government has threatened international peace and security by engaging in acts of armed subversion and terrorism, such as the training and supplying of groups dedicated to international violence.

(9) Over the past 36 years, the Cuban Government has posed a national security threat to the United States.

(10) The completion and any operation of a nuclear-powered facility in Cuba, for energy generation or otherwise, poses an unacceptable threat to the national security of the United States.

(11) The unleashing on United States shores of thousands of Cuban refugees fleeing Cuban oppression will be considered an act of aggression.

(12) The Government of Cuba engages in illegal international narcotics trade and harbors fugitives from justice in the United States.

(13) The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

(14) Attempts to escape from Cuba and courageous acts of defiance of the Castro regime by Cuban pro-democracy and human rights groups have ensured the international community's continued awareness of, and concern for, the plight of Cuba.

(15) The Cuban people deserve to be assisted in a decisive manner in order to end the tyranny that has oppressed them for 36 years.

(16) Radio Marti and Television Marti have been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the Cubans living under tyranny.

(17) The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in isolating the totalitarian Castro regime.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assist the Cuban people in regaining their freedom and prosperity, as well as in joining the community of democratic countries that are flourishing in the Western Hemisphere;

(2) to strengthen international sanctions against the Castro government;

(3) to provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and the political manipulation of the desire of Cubans to escape that results in mass migration to the United States;

(4) to encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers;

(5) to provide a policy framework for United States support to the Cuban people in response to the formation of a transition government or a democratically elected government in Cuba; and

(6) to protect American nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE.—The term ''agency or instrumentality of a foreign state'' has the meaning given that term in section 1603(b) of title 28, United States Code, except as otherwise provided for in this Act under paragraph 4(5).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COMMERCIAL ACTIVITY.—The term ''commercial activity'' has the meaning given that term in section 1603(d) of title 28, United States Code.

(4) CONFISCATED.—The term ''confiscated'' refers to—

(A) the nationalization, expropriation, or other seizure by the Cuban Government of ownership or control of property, on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban Government of, the default by the Cuban Government on, or the failure by the Cuban Government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban Government,

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban Government, or

(iii) a debt which was incurred by the Cuban Government in satisfaction or settlement of a confiscated property claim.

(5) CUBAN GOVERNMENT.—(A) The terms ''Cuban Government'' and ''Government of Cuba'' include the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term ''agency or instrumentality'' is used within the meaning of section 1603(b) of title 28, United States Code.

(6) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term ''democratically elected government in Cuba'' means a government that the President has determined as being democratically elected, taking into account the factors listed in section 206.

(7) ECONOMIC EMBARGO OF CUBA.—The term ''economic embargo of Cuba'' refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(8) FOREIGN NATIONAL.—The term ''foreign national'' means—

(A) an alien, or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(9) OFFICIAL OF THE CUBAN GOVERNMENT OR THE RULING POLITICAL PARTY IN CUBA.—The term ''official of the Cuban Government or the ruling political party in Cuba'' refers to members of the Council of Ministers, Council of State, central committee of the Cuban Communist Party, the Politburo, or their equivalents.

(10) PROPERTY.—(A) The term ''property'' means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of title III of this Act, the term ''property'' shall not include real property used for residential purposes, unless, at the time of enactment of this Act—

(i) the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by an official of the Cuban Government or the ruling political party in Cuba.

(11) TRANSITION GOVERNMENT IN CUBA.—The term ''transition government in Cuba'' means a government that the President determines as being a transition government consistent with the requirements and factors listed in section 205.

(12) UNITED STATES NATIONAL.—The term ''United States national'' means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advocate, and should instruct the United States Permanent Representative to the United Nations to propose and seek within the Security Council a mandatory international embargo against the totalitarian Government of Cuba pursuant to chapter VII of the Charter of the United Nations, employing efforts similar to consultations conducted by United States representatives with respect to Haiti;

(3) any resumption of efforts by an independent state of the former Soviet Union to make operational the nuclear facility at Cienfuegos, Cuba, and the continuation of intelligence activities from Cuba targeted at the United States and its citizens will have a detrimental impact on United States assistance to such state; and

(4) in view of the threat to the national security posed by the operation of any nuclear facility, and the Castro government's continuing blackmail to unleash another wave of Cuban refugees fleeing from Castro's oppression, most of whom find their way to United States shores further depleting limited humanitarian and other resources of the United States, the President should do all in his power to make it clear to the Cuban Government that—

(A) the completion and operation of any nuclear power facility, or

(B) any further political manipulation of the desire of Cubans to escape that results in mass migration to the United States,

will be considered an act of aggression which will be met with an appropriate response in order to maintain the security of the national borders of the United States and the health and safety of the American people.

SEC. 102. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—The President is authorized to furnish assistance to and make available other support for individuals and nongovernmental organizations to support democracy-building efforts in Cuba, including the following:

(1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies to be made available to independent democratic groups in Cuba.

(2) Humanitarian assistance to victims of political repression and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) DENIAL OF FUNDS TO THE GOVERNMENT OF CUBA.—In implementing this section, the President shall take all necessary steps to ensure that no funds or other assistance are provided to the Government of Cuba or any of its agencies, entities, or instrumentalities.

(c) SUPERSEDING OTHER LAWS.—Assistance may be provided under this section notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

SEC. 103. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992, which states the President should encourage foreign countries to restrict trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b)(1) of such Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State should ensure that United States diplomatic personnel abroad understand and, in their contacts with foreign officials are communicating the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President shall instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—(1) Subsection (b) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)), as added by Public Law 102–484, is amended to read as follows:

''(b)(1) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license,

order, rule, or regulation issued in compliance with the provisions of this Act.

''(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the direction of the Secretary of the Treasury, be forfeited to the United States Government.

''(3) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

''(4) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.''.

(2) Section 16 of the Trading With the Enemy Act is further amended—

(A) by striking subsection (b), as added by Public Law 102–393; and

(B) by striking subsection (c).

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS UNDER THE ECONOMIC EMBARGO OF CUBA.—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes an exchange, reduction, or forgiveness of Cuban debt owed to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national; and''.

SEC. 104. PROHIBITION AGAINST INDIRECT FINANCING OF CUBA.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, a permanent resident alien, or a United States agency to a foreign or United States national for the purpose of financing transactions involving any property confiscated by the Cuban Government the claim to which is owned by a United States national as of the date of enactment of this Act, except for financing by the owner of the property or the claim thereto for a permitted transaction.

(b) SUSPENSION AND TERMINATION OF PROHIBITION.—(1) the President is authorized to suspend this prohibition upon a determination pursuant to section 203(a).

(2) The prohibition in subsection (a) shall cease to apply on the date of termination of the economic embargo of Cuba, as provided for in section 204.

(c) PENALTIES.—Violations of subsection (a) shall be punishable by such civil penalties as are applicable to similar violations of the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

SEC. 105. UNITED STATES OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—

(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of such institution until the President submits a determination pursuant to section 203(c).

(2) Once the President submits a determination under section 203(a) that a transition government in Cuba is in power—

(A) the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power, and

(B) the Secretary of the Treasury is authorized to instruct the United States executive director of each international financial institution to support loans or other assistance to Cuba only to the extent that such loans or assistance contribute to a stable foundation for a democratically elected government in Cuba.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban Government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to such institution an amount equal to the amount of the loan or other assistance, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 106. UNITED STATES OPPOSITION TO TERMINATION OF THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM PARTICIPATION IN THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to oppose and vote against any termination of the suspension of the Cuban Government from participation in the Organization until the President determines under section 203(c) that a democratically elected government in Cuba is in power.

SEC. 107. ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE GOVERNMENT OF CUBA.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress toward the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), including advisers, technicians, and military personnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498A(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(1)) is amended by striking ''of military facilities'' and inserting ''military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos,''.

(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498A(b) of that Act (22 U.S.C. 2295a(b)) is amended—

(A) by striking ''or'' at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) except for assistance under the secondary school exchange program administered by the United States Information Agency, for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban Government debt in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.

''(4) CUBAN GOVERNMENT.—(A) The term Cuban Government includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility at Lourdes, Cuba, announced in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term appropriate congressional committees, includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system;

''(F) assistance under the secondary school exchange program administered by the United States Information Agency; or

''(G) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160)''.

SEC. 108. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa et seq.) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 et seq.) are repealed.

SEC. 109. REPORTS ON COMMERCE WITH, AND ASSISTANCE TO, CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of enactment of this Act, and by January 1 each year thereafter until the President submits a determination under section 203(a), the President shall submit a report to the appropriate congressional committees on commerce with, and assistance to, Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is available—

(1) a description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance;

(2) a description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade;

(3) a description of the joint ventures completed, or under consideration, by foreign nationals and business firms involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved;

(4) a determination as to whether or not any of the facilities described in paragraph (3) is the subject of a claim against Cuba by a United States national;

(5) a determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals or businesses; and

(B) the amount of debt owned the foreign country that has been exchanged, reduced, or forgiven in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national;

(6) a description of the steps taken to assure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals or businesses do not enter the United States market, either directly or through third countries or parties; and

(7) an identification of countries that purchase, or have purchased, arms or military supplies from Cuba or that otherwise have entered into agreements with Cuba that have a military application, including—

(A) a description of the military supplies, equipment, or other material sold, bartered, or exchanged between Cuba and such countries;

(B) a listing of the goods, services, credits, or other consideration received by Cuba in exchange for military supplies, equipment, or material; and

(C) the terms or conditions of any such agreement.

SEC. 110. IMPORTATION SAFEGUARD AGAINST CERTAIN CUBAN PRODUCTS.

(a) STATEMENT OF POLICY.—(1) The Congress notes that section 515.204 of title 31, Code of Federal Regulations, prohibits the entry of, and dealings outside the United States in, merchandise that—

(A) is of Cuban origin,

(B) is or has been located in or transported from or through Cuba, or

(C) is made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.

(2) The Congress notes that United States accession to the North American Free Trade Agreement does not modify or alter the United States sanctions against Cuba, noting that the statement of administrative action accompanying that trade agreement specifically states the following:

(A) ''The NAFTA rules of origin will not in any way diminish the Cuban sanctions program. * * * Nothing in the NAFTA would operate to override this prohibition.''.

(B) ''Article 309(3) (of the NAFTA) permits the United States to ensure that Cuban products or goods made from Cuban materials are not imported into the United States from Mexico or Canada and that United States products are not exported to Cuba through those countries.''.

(3) The Congress notes that section 902(c) of the Food Security Act of 1985 (Public Law 99–198) required the President not to allocate any of the sugar import quota to a country that is a net importer of sugar unless appropriate officials of that country verify to the President that the country does not import for re-export to the United States any sugar produced in Cuba.

(4) Protection of essential security interests of the United States requires enhanced assurances that sugar products that are entered are not products of Cuba.

SEC. 111. REINSTITUTION OF FAMILY REMITTANCES AND TRAVEL TO CUBA.

It is the sense of Congress that the President should, before considering the reinstitution of general licensure for—

(1) family remittances to Cuba—

(A) insist that, prior to such reinstitution, the Government of Cuba permit the unfettered operation of small businesses fully endowed with the right to hire others to whom they may pay wages, buy materials necessary in the operation of the business and such other authority and freedom required to foster the operation of small businesses throughout the island, and

(B) require a specific license for remittances above $500; and

(2) travel to Cuba by United States resident family members of Cuban nationals resident in Cuba itself insist on such actions by the Government of Cuba as abrogation of the sanction for refugee departure from the island, release of political prisoners, recognition of the right of association and other fundamental freedoms.

SEC. 112. NEWS BUREAUS OF CUBA.

(a) ESTABLISHMENT OF NEWS BUREAUS.—The President is authorized to establish and implement an exchange of news bureaus between the United States and Cuba, if—

(1) the exchange is fully-reciprocal;

(2) the Cuban Government allows free, unrestricted, and uninhibited movement in Cuba of journalists of any United States-based news organizations;

(3) the Cuban Government agrees not to interfere with the news-gathering activities of individuals assigned to work as journalists in the news bureaus in Cuba of United States-based news organizations;

(4) the United States Government is able to ensure that only accredited journalists regularly employed with a news gathering organization avail themselves of the general license to travel to Cuba; and

(5) the Cuban Government agrees not to interfere with the transmission of telecommunications signals of news bureaus or with the distribution within Cuba of any United States-based news organization that has a news bureau in Cuba.

(b) ASSURANCE AGAINST ESPIONAGE.—In implementing this section, the President shall take all necessary steps to assure the safety and security of the United States against espionage by Cuban journalists it believes to be working for the intelligence agencies of the Cuban Government.

(c) FULLY RECIPROCAL.—It is the sense of Congress that the term ''fully reciprocal'' means that all news services, news organizations, and broadcasting services, including such services or organizations that receive financing, assistance or other support from a governmental or official source, are permitted to establish and operate a news bureau in each nation.

SEC. 113. IMPACT ON LAWFUL UNITED STATES GOVERNMENT ACTIVITIES.

Nothing in this Act shall prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency or of an intelligence agency of the United States.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

It is the policy of the United States—

(1) to support the self-determination of the Cuban people;

(2) to facilitate a peaceful transition to representative democracy and a free market economy in Cuba;

(3) to be impartial toward any individual or entity in the selection by the Cuban people of their future government;

(4) to enter into negotiations with a democratically elected government in Cuba regarding the status of the United States Naval Base at Guantanamo Bay;

(5) to consider the restoration of diplomatic relations with Cuba and support the reintegration of the Cuban Government into the Inter-American System after a transition government in Cuba comes to power and at such a time as will facilitate the rapid transition to a democratic government;

(6) to remove the economic embargo of Cuba when the President determines that there exists a democratically elected government in Cuba; and

(7) to pursue a mutually beneficial trading relationship with a democratic Cuba.

SEC. 202. ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President may provide assistance under this section for the Cuban people after a transition government, or a democratically elected government, is in power in Cuba, subject to subsections 203 (a) and (c).

(2) EFFECT ON OTHER LAWS.—Subject to section 203, the President is authorized to provide such forms of assistance to Cuba as are provided for in subsection (b), notwithstanding any other provision of law, except for—

(A) this Act;

(B) section 620(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(2)); and

(C) section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the

annual foreign operations, export financing, and related programs appropriations Act.

(b) RESPONSE PLAN.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan detailing, to the extent possible, the manner in which the United States would provide and implement support for the Cuban people in response to the formation of—

(A) a transition government in Cuba; and

(B) a democratically elected government in Cuba.

(2) TYPES OF ASSISTANCE.—Support for the Cuban people under the plan described in paragraph (1) shall include the following types of assistance:

(A) TRANSITION GOVERNMENT.—(i) The plan developed under paragraph (1)(A) for assistance to a transition government in Cuba shall be limited to such food, medicine, medical supplies and equipment, and other assistance as may be necessary to meet the basic human needs of the Cuban people.

(ii) When a transition government in Cuba is in power, the President is encouraged to remove or modify restrictions that may exist on—

(I) remittances by individuals to their relatives of cash or humanitarian items, and

(II) on freedom to travel to visit Cuba other than that the provision of such services and costs in connection with such travel shall be internationally competitive.

(iii) Upon transmittal to Congress of a determination under section 203(a) that a transition government in Cuba is in power, the President should take such other steps as will encourage renewed investment in Cuba to contribute to a stable foundation for a democratically elected government in Cuba.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—The plan developed under paragraph (1)(B) for assistance for a democratically elected government in Cuba should consist of assistance to promote free market development, private enterprise, and a mutually beneficial trade relationship between the United States and Cuba. Such assistance should include—

(i) financing, guarantees, and other assistance provided by the Export-Import Bank of the United States;

(ii) insurance, guarantees, and other assistance provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(iii) assistance provided by the Trade and Development Agency;

(iv) international narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961; and

(v) Peace Corps activities.

(c) INTERNATIONAL EFFORTS.—The President is encouraged to take the necessary steps—

(1) to seek to obtain the agreement of other countries and multinational organizations to provide assistance to a transition government in Cuba and to a democratically elected government in Cuba; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(d) REPORT ON TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c) that a democratically elected government in Cuba is in power, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees a report that describes—

(A) acts, policies, and practices which constitute significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with a democratically elected government in Cuba, and the reasons therefor, including possible—

(i) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under title V of the Trade Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, and the implications of such designation with respect to trade and any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Implementation Act; and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATION.—The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(e) COMMUNICATION WITH THE CUBAN PEOPLE.—The President is encouraged to take the necessary steps to communicate to the Cuban people the plan developed under this section.

(f) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

SEC. 203. IMPLEMENTATION; REPORTS TO CONGRESS.

(a) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination, consistent with the requirements and factors in section 205, that a transition government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide assistance pursuant to section 202(b)(2)(A).

(b) REPORTS TO CONGRESS.—(1) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance authorized under section 202(b)(2)(A) to the transition government in Cuba, the types of such assistance, and the extent to which such assistance has been distributed.

(2) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall consult regularly with the appropriate congressional committees regarding the development of the plan.

(c) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—Upon making a determination, consistent with section 206, that a democratically elected government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide such forms of assistance as may be included in the plan for assistance pursuant to section 202(b)(2)(B).

(d) ANNUAL REPORTS TO CONGRESS.—Once the President has transmitted a determination referred to in either subsection (a) or (c), the President shall, not later than 60 days after the end of each fiscal year, transmit to the appropriate congressional committees a report on the assistance to Cuba authorized under section 202, including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided under the plan in the current fiscal year.

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(a) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo on Cuba and to suspend application of the right of action created in section 302 as to actions thereafter filed against the Government of Cuba, to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c)—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005) are repealed; and

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.—

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall immediately so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term ''joint resolution'' means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: ''That the Congress disapproves the action of the President under section 204(a) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on _____.'', with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.

(4) PROCEDURE.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

(a) A determination under section 203(a) that a transition government in Cuba is in power shall not be made unless that government has taken the following actions—

(1) legalized all political activity;

(2) released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(3) dissolved the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades; and

(4) has committed to organizing free and fair elections for a new government—

(A) to be held in a timely manner within 2 years after the transition government assumes power;

(B) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(C) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other election monitors;

(b) In addition to the requirements in subsection (a), in determining whether a transition government is in power in Cuba, the President shall take into account the extent to which that government—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has publicly committed itself to, and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights;

(C) effectively guaranteeing the rights of free speech and freedom of the press, including granting permits to privately owned media and telecommunications companies to operate in Cuba;

(D) permitting the reinstatement of citizenship to Cuban-born nationals returning to Cuba;

(E) assuring the right to private property; and

(F) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(3) has ceased any interference with broadcasts by Radio Marti or the Television Marti Service;

(4) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people; and

(5) permits the deployment throughout Cuba of independent and unfettered international human rights monitors.

SEC. 206. FACTORS FOR DETERMINING A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of determining under section 203(c) of this Act whether a democratically elected government in Cuba is in power, the President shall take into account whether, and the extent to which, that government—

(1) results from free and fair elections—

(A) conducted under the supervision of internationally recognized observers; and

(B) in which opposition parties were permitted ample time to organize and campaign for such elections, and in which all candidates in the elections were permitted full access to the media;

(2) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(3) is substantially moving toward a market-oriented economic system based on the right to own and enjoy property;

(4) is committed to making constitutional changes that would ensure regular free and fair elections and the full enjoyment of basic civil liberties and human rights by the citizens of Cuba; and

(5) is continuing to comply with the requirements of section 205.

SEC. 207. SETTLEMENT OF OUTSTANDING UNITED STATES CLAIMS TO CONFISCATED PROPERTY IN CUBA.

(a) SUPPORT FOR A TRANSITION GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a transition government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a transition government in Cuba, except for assistance to meet the emergency humanitarian needs of the Cuban people,

unless the President determines and certifies to Congress that such a government has publicly committed itself, and is taking appropriate steps, to establish a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(b) SUPPORT FOR A DEMOCRATICALLY ELECTED GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a democratically elected government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a democratically elected government in Cuba,

unless the President determines and certifies to Congress that such a government has adopted and is effectively implementing a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall provide a report to the appropriate congressional committees containing an assessment of the property dispute question in Cuba, including—

(1) an estimate of the number and amount of claims to property confiscated by the Cuban Government held by United States nationals beyond those certified under section 507 of the International Claims Settlement Act of 1949,

(2) an assessment of the significance of promptly resolving confiscated property claims to the revitalization of the Cuban economy,

(3) a review and evaluation of technical and other assistance that the United States could provide to help either a transition government in Cuba or a democratically elected government in Cuba establish mechanisms to resolve property questions,

(4) an assessment of the role and types of support the United States could provide to help resolve claims to property confiscated by the Cuban Government held by United States nationals who did not receive or qualify for certification under section 507 of the International Claims Settlement Act of 1949, and

(5) an assessment of any areas requiring legislative review or action regarding the resolution of property claims in Cuba prior to a change of government in Cuba.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that the satisfactory resolution of property claims by a Cuban Government recognized by the United States remains an essential condition for the full resumption of economic and diplomatic relations between the United States and Cuba.

(e) WAIVER.—The President may waive the prohibitions in subsections (a) and (b) if the President determines and certifies to the Congress that it is in the vital national interest of the United States to provide assistance to contribute to the stable foundation for a democratically elected government in Cuba.

WINFIELD SCOTT STRATTON POST OFFICE

Mr. FRIST. Mr. President, at this juncture, I would like to take care of several housekeeping issues, if I could. What I would like to do is ask unanimous consent that the Senate—this will take 2 minutes—proceed to the immediate consideration of H.R. 1026, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1026), to designate the United States Post Office Building located at 201 East Pikes Peak Avenue in Colorado Springs, Colorado as the ''Winfield Scott Stratton Post Office.''

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

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

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 1026) was deemed read for a third time, and passed.

HARRY KIZIRIAN POST OFFICE BUILDING

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1606, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1606) to designate the United States Post Office Building located at 24 Corliss Street, Providence, Rhode Island as the ''Harry Kizirian Post Office Building.''

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

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

Mr. PELL. Mr. President, I would like to offer my congratulations and say well done. I am glad Harry Kizirian is honored in this way.

AMENDMENT NO. 2947

(Purpose: To amend chapter 2 of title 39, United States Code, to adjust the salary of the Board of Governors of the United States Postal Service, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. FRIST), for Mr. STEVENS, for himself, Mr. SIMON, and Mr. PRYOR, proposes an amendment numbered 2947.

Mr. FRIST. 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:

At the end of the bill add the following new section:

SEC. 3. SALARY ADJUSTMENTS FOR THE BOARD OF GOVERNORS OF THE UNITED STATES POSTAL SERVICE.

(a) IN GENERAL.—Section 202(a) of title 39, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)'';

(2) by striking out the fifth and sixth sentences; and

(3) by adding at the end thereof the following new paragraph:

''(2)(A) Each Governor shall receive—

''(i) a salary of $30,000 a year as adjusted by subparagraph (C);

''(ii) $300 a day for not more than 42 days each year, for each day such Governor—

''(I) attends a meeting of the Board of Governors; or

''(II) performs the official business of the Board as approved by the Chairman; and

''(iii) reimbursement for travel and reasonable expenses incurred in attending meetings and performing the official business of the Board.

''(B) Nothing in subparagraph (A) shall be construed to limit the number of days of meetings each year to 42 days.

''(C) Effective on the first day of the first applicable pay period beginning on or after the date on which an adjustment takes effect under section 5303 of title 5 in the rates of pay under the General Schedule, the salary of each Governor shall be adjusted by the percentage equal to the percentage adjustment in such General Schedule rates of pay.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act.

Amend the title so as to read: ''An Act to designate the United States Post Office building located at 24 Corliss Street Providence, Rhode Island, as the ''Harry Kizirian Post Office Building'', to amend chapter 2 of title 39, United States Code, to adjust the salary of the board of Governors of the United States Postal Service, and for other purposes.''

Mr. STEVENS. Mr. President, the amendment I offer today, on behalf of myself and Senators SIMON and PRYOR, would rectify a situation which has gone unattended for far too long. This amendment would, for the first time in 25 years, adjust the rate of pay for the members of the Board of Governors of the U.S. Postal Service.

In 1970, as part of the Postal Reorganization Act, Congress created an 11-member Board of Governors whose duties are to direct and control the expenditures and review the practices and policies of the postal service. Nine of the members are private citizens who are nominated by the President and confirmed by the Senate to 9-year terms. They, in turn, name the Postmaster General and the Deputy Postmaster General who also serve on the board.

The Board of Governors oversees and directs the operations of a $54 billion corporation which ranks 12th on the Fortune 500 list. The board meets monthly, usually for 2 or 3 days.

The salary of the nine confirmed members of the Board was set in 1971 at $10,000 annually. The salary of the Postmaster General was set at $60,000. Today, the Postmaster General's salary is $148,000 but the Governors' salary has remained unchanged at $10,000. If the Governors' salary had increased by the rate of inflation, they would currently be paid $37,600.

The Governors receive an additional $300 per day for their monthly meetings and reasonable travel expenses. Of course, they spend more time in preparation for these meetings for which they are not paid this daily meeting rate. In addition, members represent the Board on other occasions—such as testimony before Congress—for which they do not receive the daily rate.

How does this compare with other boards within the Federal Government? Not well. For example, board members for Fannie Mae, Sallie Mae, and Freddie Mac all receive at least double the annual Postal Service Board salary. And, that doesn't take into account the much higher daily meeting rates they receive.

Mr. President, I ask unanimous consent to reprint in the RECORD at this point a chart comparing the compensation of the Postal Service Board of Governors with Fannie Mae, Sallie Mae, and Freddie Mac.

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

COMPENSATION OF DIRECTORS

Organization	Board of Directors	Retainer	Additional compensation
USPS	9 Governors (nominated by the President, confirmed by the Senate) serving 9 year terms.	$10,000	$300 a day for not more than 42 days a year of meetings. Reimbursed for travel and reasonable expenses.
Fannie Mae	18 (13 elected annually by the common stockholders & 5 appointed annually by the President).	$23,000	$1,000 annually for personally attending each Board or Board committee meeting. Additional $500 if chairperson. $600 if participate by telephone conference. Additional $300 if chair the telephone conference. Non-management Directors are eligible to receive additional compensation in the form of restricted common stock, equaling $45,000 over a five-year cycle. $1,000,000 donation to charitable groups/educational institutions of the director's choice upon the director's death.
Sallie Mae	21 (14 elected annually by the common stockholders & 7 appointed annually by the President).	$20,000 $35,000 for the Chairperson of the Board	$2,750 for attending each regular or special meeting. Chairperson receives $1,750 for each day spent on the Association's business. May elect to receive deferred compensation in the form of cash or common stock. $50,000 life insurance. Eligible to participate in a special pension plan and stock purchase plan available to employees. Eligible to receive awards up to 100 shares of restricted common stock each year.
Freddie Mac	18 (13 elected annually by the common stockholders & 5 appointed annually by the President).	$20,000 Full time officers or employees of the Federal Government do not receive the ''retainer'' for service on the Board.	Full-time officers or employees of the Federal Government do not receive compensation for service on the Board Directors not employed by Freddie Mac receive $1,000 and out-of-pocket expenses for personally attending each Board or Board committee meeting Committee chairpersons receive an additional retainer of $2,500 Directors may defer cash compensation, or receive shares of Freddie Mac's common stock in lieu of cash compensation Directors eligible to receive additional compensation in the form of stock options and awards of restricted common stock at fair market value of $10,000.
Federal Express Corp.	14 (5 elected by the common stockholders & 9 appointed by the corporation).	$30,000 for Outside Directors $35,000 for Committee Chairpersons	Officers of the corporation receive no compensation for serving as Directors. Outside Directors receive $2,000 for each Board meeting attended. Outside Directors receive $1,000 for each Committee meeting attended. Outside Directors granted an option for 1,000 shares of common stock for each of the five consecutive annual meeting dates. Retirement plan for Outside Directors equals an annual amount, for no less than 10 years and no more than 15 years, equal to the percentage from 50% to 100% (as determined by the ears of service) of the annual retainer fee.

COMPENSATION OF DIRECTORS—Continued

Organization	Board of Directors	Retainer	Additional compensation
United Parcel Service of America, Inc	13 (12 elected by the common stockholders & 1 appointed by the corporation).	$45,000 for Outside Directors $49,000 for Committee chairpersons	Employees or former employees of the corporation receive no compensation for serving as Directors. Members of the Audit, Officer Compensation and Nominating committees, who are not employees or former employees, receive an annual fee of $2,500 for each committee on which they serve. Retirement plan for Outside Directors equals the amount of the Directors' annual retainer. Benefits continue for the number of years served multiplied by four.
International Business Machines Corp	11 (all elected by the common stockholders)	$55,000 for Outside Directors $60,000 for Committee Chairpersons	Employee Directors receive no additional compensation for their service on the Board. Non-Employee Directors receive 100 promised Award Shares of IBM common stock plus an additional 100 year thereafter that the Director is re-elected. Under the Deferred Compensation and Equity Award Plan, non-Employee Directors may defer all or part of their Board compensation to selected later years, to be paid either with interest or in promised fee shares of IBM common stock. Non-Employee Directors with five years service, upon retirement or age 70, are entitled to retirement income of annual payments of 50% of the Director's last annual fee.

Mr. STEVENS. Mr. President, in addition, this chart shows the compensation received by members of the boards of the Postal Service's private sector competitors like Federal Express and UPS.

Our amendment would provide a much-needed increase in the compensation for the Postal Service Board of Governors. First, we increase the annual salary of the governors to $30,000. Second, we allow the daily meeting rate to be paid for performance of official business as determined by the chairman of the board, up to the current statutory limit of 42 days per year. And, third, we create an automatic annual pay adjustment which is equivalent to that received by Federal employees.

I urge my colleagues to support this amendment.

Mr. FRIST. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 1606), as amended, was deemed read for a third time and passed.

Mr. FRIST. I send an amendment to the title to the desk.

Amend the title so as to read: ''An Act to designate the United States Post Office building located at 24 Corliss Street Providence, Rhode Island, as the ''Harry Kizirian Post Office Building'', to amend chapter 2 of title 39, United States Code, to adjust the salary of the Board of Governors of the United States Postal Service, and for other purposes.''

ORDERS FOR WEDNESDAY, OCTOBER 25, 1995

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Wednesday, October 25, that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately turn to the consideration of Calendar No. 216, S. 1357, the reconciliation bill.

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

PROGRAM

Mr. FRIST. Mr. President, for the information of all Senators, the Senate will begin the reconciliation bill at 10 a.m. Therefore, Members can expect votes throughout Wednesday's session of the Senate on amendments, and the Senate is expected to be in session late into the evening in order to consume a considerable amount of time allocated under the statute for the reconciliation bill.

ORDER FOR ADJOURNMENT

Mr. FRIST. Mr. President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senators PELL and LAUTENBERG.

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

The Senator from Rhode Island is recognized.

THE RECONCILIATION BILL

Mr. PELL. Mr. President, as we all know, the Senate is about to embark on a massive reordering of national priorities under the rubric of the reconciliation process. In the short space of the 20 hours prescribed by statute, we will decide the fate of Medicare, Medicaid, welfare programs, education assistance, and a host of other Federal programs and agencies.

We surely did not anticipate such abbreviated consideration of a sweeping reconfiguration of government when we enacted the Congressional Budget and Impoundment Control Act of 1974, which established the reconciliation process. It is regrettable that we must do so now, and I suggest that in doing so we exceed the spirit if not the letter of the act.

But we are now confronted with the determination of the majority to proceed nonetheless, and in anticipation of the time constraints, I would like to state my continuing reservations about the bill. I have already expressed my distress and concern about the decimation of hard-won Federal education programs and the emasculation of the Medicare and Medicaid programs.

What remains to be said is that this mammoth bill embodies priorities in many other areas which are diametrically opposed to my own. It overturns decades of progress in social policy and it imposes a regressive tax plan that is both misguided and untimely. It bears unfairly on children, on poor people and on the elderly and the disabled. And it would undo environmental gains and open pristine wilderness areas to commercial exploitation.

It would do all this in a headlong pursuit of a goal which I believe has been blindly accepted, namely the mantra that the budget must be balanced by a date certain. To my mind, this is an unrealistic objective that results not from careful and rational assessment, but from well-orchestrated sloganeering in the guise of the so-called contract devised by the House majority leadership. And that, I would submit, has led to false expectations in the electorate as well as among some legislators themselves.

Far more preferable, in my view, would be a measured and continuing effort to reduce deficit spending, while at the same time preserving the essential gains in social policy of the last half century.

It is unrealistic to assume, I submit, that some $900 billion can be cut from Federal spending levels provided under present law between 1996 and 2002 without imposing unacceptable hardship on many segments of the population. Here, the arbitrary goal has dictated the cuts; again, the more rational course would be to to decide what can and should be reduced and then arrive at a figure.

And it is equally unrealistic—and absurd on the face of it—that tax cuts of $245 billion could be proposed at the very time the stated objective is to reduce deficits. Inevitably, such as proposal suggests that spending cuts have been inflated to accommodate the tax cuts. It seems appalling to me that the proposed tax cuts will actually add to the deficit in some years, meaning that the Treasury will actually have to borrow funds to make up for the lack of revenue. Overall, these unwise tax cuts will add some $93 billion to the national debt, according to the Wall Street Journal.

Here again, a far wiser course would be one of moderation. While I reject

most of the proposed tax cuts as untimely at best and pandering at worst, I would agree that there is one area of tax relief that could be reasonably undertaken at this time, and that is reduction in the capital gains tax rate. The provisions of the bill allowing individuals to exclude 50 percent of capital gains from taxation, while dropping the corporate capital gains rate from 35 to 28 percent, would cost the Treasury some $40 billion in revenue foregone over 7 years.

As I see it, this would be a worthwhile expenditure. It would help release some $1.5 trillion in locked-up capital gains to pursue investment opportunities that create jobs and growth in the U.S. economy. By one estimate, this would result in a rise in gross domestic product of 1.4 percent and result in $12 million in increased Federal tax revenues.

And I might note that the individual beneficiaries of capital gains tax relief are by no means limited to wealthy stockholders. A recently updated U.S. Treasury study shows that nearly one-half of all capital gains are realized by taxpayers with wage and salary incomes of less than $50,000. And these would include every homeowner who has benefited from an increase in the value of his house over recent years.

Notwithstanding my support for this one tax provision, I must reiterate my view that the overall tax package is untimely and inappropriate. Together with the other major flaws of the bill, there is compelling reason to vote against the bill, and good cause for the President to veto the measure, as he has promised to do, in the likelihood that Congress approves it.

Our task will not end there. Assuming the probability that the President's veto cannot be overridden, the real work will have to begin to devise a compromise that can be enacted. My hope is that reason, compassion, and responsibility will prevail and that the many excesses of this bill will be recast into a more moderate measure.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I thank the Chair.

WHOSE SIDE ARE YOU ON?

Mr. LAUTENBERG. I will try to confine my remarks to 10 minutes, not simply to spare the distinguished occupant of the Chair from further duty but to try and consolidate the message so that it has meaning and is clearly understood.

Mr. President, I look at what is proposed in terms of this budget reconciliation, and I truly believe that the American people are being deceived; that there is kind of a sneak attack on senior citizens and the impoverished in our society; that they do not yet know what is planned for them for their future.

The question that arises is a very fundamental one, and that is, Whose side are you on? Whose side are we on in this body when we pass legislation? Are we on the side of the people who have worked hard, who try to put away a few bucks, who have tried to protect their security in their old age, who worry about what happens to them in their golden years?

Are we on the side of those who are making lots of money, who will get a benefit, the benefits of a tax cut that is being proposed as a result of the exorbitant request that is being made of the senior citizen population of our country or of those who are dependent on Medicaid? It is a backdoor attack.

I do not mean to insult my friends on the other side of the aisle. I am describing what I think is their approach to decimate a program that has been of value. All one has to do is look at the human dimension as we discuss these programs. Forget about the accountant's approach for just a moment, forget about the fact that we are strapped, that we have to figure out ways out of our dilemma in terms of our budget deficit. Just think first about the people who are affected, think of those who worked hard, who put away small sums of money by paying their insurance premiums over the years, who believe deeply that a Government contract, a contract with their Government was something of value that could not be diminished.

We know one thing, Mr. President. That is, that that program, the Medicare Program, has worked incredibly well. All you have to do is look at the life expectancy in our population today and look at the quality of life that people can enjoy even as they age if their health is good, if they take care of themselves at the appropriate time, if they get the right kind of medication, if they get the right kind of physician attention or health care provider attention. The program has worked.

In Russia today, the former Soviet Union, the life expectancy for a male on average is 57 years. Fifty-seven years in this country is beginning to look like the prime of life. I know guys who are becoming fathers for the first time at 57 years of age. It is not something I recommend. I have no opinion on it. I am simply stating a fact. Fifty-seven is young. Age 72, 73 is a time when lots of people can do things that they did when they were much younger. I invite people to go skiing with me sometime to see. I do not like to tell anybody, but my next birthday is going to be my 72d birthday. I served in World War II. I worked hard all my life before I came to the Senate and, I think, since I have come to the Senate, because I believe so deeply in those things that this Government of ours can and should do for its citizens.

We are looking at a $270 billion cut in Medicare opportunity for our senior citizens, a $180 billion cut in Medicaid. Mr. President, those who are dependent on Medicaid are either impoverished or disabled. The senior citizen who runs out of funds, who needs nursing home care, which is becoming an evermore present condition in our society, and who has to spend their time in a nursing home depends on Medicaid for care.

Seventy-one percent of the funds applied for Medicaid are for senior citizens and the disabled, 71 percent. For the disabled, Mr. President we have seen people who are totally dependent on Medicaid support for the sustenance of their lives.

We had a young man in his 20's appear at the Budget Committee the other day breathing from a device on his wheelchair. And as he spoke, he was obviously straining for breath, straining for volume in his voice. He said, ''If they cut out Medicaid the way they are planning, if they reduce it the way they are planning, I will lose my ability to continue my life.'' He is a college student. And that is what is going to happen. This is just not an accounting exercise.

Mr. President, I want us to see a balanced budget in our society, in our country. Frankly, I am not upset whether it takes 7 years or 10 years. I think if we get on the right kind of a down slope, we will be doing the right thing. We have other ways of getting to a balanced budget than slashing programs that the elderly depend on for their health and well-being. We do not have to spend as much on defense as we are spending. We do not have to spend as much giving away mining claims to the folks out West who get benefits from the Federal Government that are beyond comprehension for most people. We do not have to continue to support wealthy corporate farms or corporate ranches. That is not necessary. But we do have to support those people who depend upon us for their very existence. And those are the senior citizens and those who live as a result of having assistance from Medicaid.

Mr. President, again, the question is simply put, whose side are you on? And when we examine the sum of money, the sums that are being asked for reductions in health care programs, $270 billion is in the Medicare cut, a $245 billion tax break, much of it for the wealthiest in our society.

The House proposed that if you had an income of $350,000 a year, you would get a $20,000 tax break. How does that square? Mr. President, it does not square. We do not believe that it is necessary to lop $270 billion off Medicaid to save the program as the proponents are suggesting. This is the case where the medicine is far worse than the cure because it could kill you. The medicine can kill you when we start worrying elderly people about whether or not they are going to be able to continue to have health care, whether or not they are going to have to depend on their kids, having the kids worry about whether or not mom or pop or grandma or grandpop is going to have to come to them begging for them to take over. That is what is going to happen if we go ahead with the program as proposed.

(Mr. ASHCROFT assumed the chair.)

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that a letter I have be printed in the RECORD. It comes from the chief actuary for the Health Care Financing Administration. It says that we need $89 billion to continue Medicare and its viability until the year 2006. The cut proposed by the Republican majority is to take care of things until 2002. They say it needs $270 billion. Let me correct the record, Mr. President, because I think there is an arithmetic error here. For $89 billion we can take care of the program until the year 2002, $89 billion versus $270 billion.

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

HEALTH CARE FINANCING ADMINISTRATION,
THE ADMINISTRATOR,
Washington, DC, August 3, 1995.

Hon. Thomas Daschle, U.S. Senate, Washington, DC.

DEAR SENATOR DASCHLE: This is in response to your request for information about the effect of the Medicare savings in the President's balanced budget initiative on the exhaustion date of the Hospital Insurance (HI) Trust Fund.

Attached is a memorandum that I have received from the Chief Actuary of the Health Care Financing Administration (HCFA). The memo indicates that the year-by-year savings in the President's plan, which would total $89 billion in Part A over the period 1996–2002, would extend the life of the HI Trust Fund from 2002 to the fourth quarter of calendar year 2006 (the first quarter of fiscal year 2007). This estimate is based on the 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Fund intermediate assumption baseline.

Please let me know if I can provide any further information.

Sincerely,

BRUCE C. VLADECK.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I also want to include in the RECORD an article that appeared in the New York Times a couple weeks ago. It talks about the arrangement made between the House Republican leadership and the AMA and about how, by reducing the reductions that the doctors and the health providers may have to take, that, in fact, they were able to get the doctors, the AMA, aboard for their health plan.

Mr. President, while they were doing that for the doctors, they were not talking to the seniors who are alarmed by the prospects that their health care options are going to be substantially reduced. And I ask unanimous consent that this article from the New York Times be printed in the RECORD as well.

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

DOCTORS' GROUP BACKS PLAN OF REPUBLICANS ON MEDICARE

(By Robert Pear)

WASHINGTON, OCT. 10.—After receiving assurances that Medicare payments to doctors would be cut less than originally planned, the American Medical Association tonight expressed support for a House Republican plan to redesign the medical plan for the elderly.

Leaders of the association issued a statement after meeting with House Speaker Newt Gingrich saying, ''A.M.A. endorses House G.O.P. plan to transform Medicare.''

Republicans in the House and Senate alike want to cut projected spending on Medicare by $270 billion, or 14 percent, in the next seven years. Of that amount, $26.4 billion would have come from strict new limits on Medicare payments for doctors' services.

Kirk B. Johnson, senior vice president of the association, said tonight that the doctors would receive billions of dollars more than the Republicans had planned. But he and Mr. Gingrich refused to give details, nor would they specify which other groups might receive less money to make up the difference.

Mr. Gingrich had been wooing the doctors all summer in the hope of winning their endorsement for the Republicans' Medicare plan. But just last week—a few days after details of the Republican plan were disclosed—spokesmen for the American Medical Association complained that the Republican plan would not only slow the growth of Medicare payments to doctors, but actually reduce payments for many services.

In response to such complaints, House Republicans made unspecified financial concessions to the doctors, and their support tonight was apparently one result. Mr Gingrich, thrilled with the endorsement, said it showed that the Republicans were willing to listen to suggestions from various interest groups.

The president of the association, Dr. Lonnie R. Bristow, said, ''This legislation will expand choices for Medicare beneficiaries, allowing them to open medical savings accounts in conjunction with high-deductible insurance policies, enroll in private sector coverage plans or remain in the traditional Medicare program.''

For the association, he said, the Republican plan ''represents the end of a decade-long quest to put Medicare on a fiscally sound basis, as well as the beginning of a new journey toward delivery of appropriate quality care in a more fiscally prudent environment.''

Dr. Bristow praised elements of the Republican plan that would exempt doctors from antitrust laws in certain situations and limit payment of damages to some victims of medical malpractice.

In the debate over President Clinton's health plan last year, the association endorsed the goal of universal health insurance coverage, but criticized many details of the Clinton plan.

The medical association sways votes on Capitol Hill. It has shrewd lobbyists and a political action committee that donates tens of thousands of dollars to congressional candidates. In the battle over President Clinton's health plan, the association endorsed the goal of health insurance coverage for all Americans, but criticized many details of his plan and wavered in its support for his proposal that all employers be required to buy health insurance for their employees. The association's failure to endorse Mr. Clinton's plan was politically damaging to the White House.

Elsewhere on Capitol Hill, Republican efforts to revamp Medicare gained momentum today as House Republicans voted down a series of Democratic proposals that would have established consumer protections for Medicare beneficiaries who join private health plans.

Democrats repeatedly failed in their efforts to set detailed Federal standards for such private health plans, which would serve millions of elderly people under the Republican plan. Democrats said the standards were needed to protect those who enrolled in the plans. Republicans said they would stifle growth of the health care market.

The House Ways and Means Committee appeared today to be moving on schedule toward approving the Republicans' plan to cut projected spending on Medicare by $270 billion, or 14 percent, in the next seven years. The committee is expected to approve the legislation on Wednesday, with the full House likely to vote on a Medicare bill next week. The Senate Finance Committee has approved similar legislation.

Democrats noted that the Ways and Means Committee worked on the legislation for 14 hours on Monday, and they complained that the panel was moving too fast. ''What is the hurry?'' Representative Sam M. Gibbons, Democrat of Florida, asked today. Republicans said they were moving quickly to save Medicare from bankruptcy.

The heart of the Republican measure is a proposal to open Medicare to hundreds of private health plans, so elderly people would have a much wider range of health insurance options. Democrats today offered numerous amendments to remedy what they see as severe weaknesses in the Republicans plan, but the proposals were rejected, generally on party-line votes.

By a vote of 22 to 13, the Ways and Means Committee defeated a proposal by Representative Pete Stark, Democrat of California, to set detailed Federal standards for private health plans enrolling Medicare beneficiaries. He would, for example, have required such plans to serve all parts of a metropolitan area, not just the affluent neighborhoods. Bruce C. Vladeck, who supervises Medicare as administrator of the Federal Health Care Financing Administration, said that under the Republican bill ''health plans could gerrymander their service areas so that minorities and low-income people will not be offered the same choices as everyone else.''

Consumers Union and the American Association of Retired Persons supported Mr. Stark's proposal, but Republicans rejected it, saying such Federal regulation would frustrate the development of a private health insurance market for the elderly. Representative Bill Thomas, Republican of California, said the Democrats would establish ''an entangling bureaucratic structure.''

Today's debate was bitterly partisan and acrimonious, full of snide remarks. Lucia DiVenere, a lobbyist with the National Association for Home Care, said: ''What you see here, in microcosm, are two totally different approaches to Government, two philosophies completely at odds with each other. It's all black or white. There is no gray area.''

Mr. Stark said the elderly needed the Government to protect them because the Republicans were ''forcing Medicare beneficiaries into the arms of private for-profit insurance companies.'' Republicans replied that the Democrats' proposals for more Federal regulation would perpetuate the heavy hand of Government. Representative Nancy L. Johnson, Republican of Connecticut, said the Democrats' proposals were evidence of ''old thinking, the view that Government can serve seniors better than the private sector'' can.

To help control Medicare costs, the Republicans would limit the growth of Federal payments to health maintenance organizations and other private health plans. Democrats today proposed to eliminate these limits, saying they would force H.M.O.'s to cut services or increase premiums. ''Let's not tie Medicare payment levels to arbitrary budget caps,'' said Representative Sander M. Levin, Democrat of Michigan.

The Democrats' basic theme is that some of the Republicans policy proposals would

make sense if the Republicans were not simultaneously squeezing $270 billion out of Medicare.

The Republicans describe the various private health insurance options as ''Medicare Plus.'' But Mr. Gibbons told them: ''You ought to call it Medicare Minus. What you're doing is herding all the seniors together and forcing them to accept managed care.''

Mr. LAUTENBERG. I thank the Chair.

I would just like to read from the article for a couple seconds.

After receiving assurances that Medicare payments to doctors would be cut less than originally planned, the American Medical Association tonight expressed support for a House Republican plan to redesign the medical plan for the elderly. * * *

Republicans in the House and Senate alike want to cut projected spending on Medicare by $270 billion . . . in the next seven years. Of that amount, $26.4 billion would have come from strict new limits on Medicare payments for doctors' services.

Obviously, that was obviated or the AMA in this case would not have come along.

Mr. President, what this budget does is painful. It doubles the premiums for part B from $46 a month to $93 a month. It doubles part B deductibles from $100 to $210. It hurts seniors who want to stay in fee for service. It will mean a cut of $6 billion in the State of New Jersey that would cause us to lose the services of 40 out of 110 hospitals in our State, when combined with the Medicaid cuts.

In short, this proposal, as it is outlined, would result in disaster for our senior citizen population.

The arithmetic is very simply displayed on this chart. ''The GOP's New Medicare Plan: The Untold,'' I call it the sneak attack, ''The Untold Story.'' Mr. President, $270 billion worth of proposed cuts, $89 billion is needed for the trust fund. It leaves $181 billion, and where is it going? It is going for tax breaks for the well-off.

And so, when we finally vote on this reconciliation bill, one I voted against in committee—I am on the Budget Committee—and one that I continue to view as harmful to the very structure of our society, breaking promises with people to whom we have had arrangements, I know one thing: That I am going to be on the side of the senior citizen. I am going to be on the side of the students in this country who are depending on our Government for help in getting their education. I am going to be on the side of those who need Medicaid for their support, and I am going to vote ''no'' on this budget reconciliation bill.

The one thing I hope will come out in the debate these next couple of days is that the American people will fully realize what it is that is being proposed; that the notion that these cuts have to be made to save the program are patently false, they are untrue and that what we have to do is put our thinking caps together, sit down and take the time necessary to redesign a program that will fit the bill, that will not continue to exacerbate the budget deficit situation.

So, Mr. President, as we close the debate this evening, I hope that our colleagues in the Senate will continue to examine this proposal that is in front of us and reject it when the time comes and to think about the folks back home and those who are depending on it.

With that, I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under a previous order, the Senate will now stand in adjournment until 10 a.m. on Wednesday, October 25.

Thereupon, the Senate, at 8:03 p.m., adjourned until Wednesday, October 25, 1995, at 10 a.m.