The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable DIANNE FEINSTEIN, a Senator from the State of California.

PRAYER

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

Let us pray:

Commit thy way unto the Lord; trust also in Him; and He shall bring it to pass. —Psalm 37:5.

Almighty God, Lord of history, Ruler of the nations, we pray for Your sovereign guidance in the affairs of our Nation. As the Senators work their way through a maze of statistics, amendments, and thousands of words, lead them to a resolution that will guarantee our future. Help us to understand that we do not sacrifice reason when we trust God, that we do not abbreviate our responsibility when we commit our way to Him. Let Thy will be done on Earth as it is in Heaven. We pray in the name of Him who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:

Under the provisions of rule 1, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DIANNE FEINSTEIN, a Senator from the State of California, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. FEINSTEIN thereupon assumed the chair as Acting President pro tempore.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1994-98

The ACTING PRESIDENT pro tempore. The clerk will report the pending business.

The bill clerk read as follows:


The Senate resumed consideration of the concurrent resolution.

Pending:

Lott amendment No. 240 to strike the proposed tax increase on social security income, and to provide that the revenue reduction is offset by a reduction in proposed new spending.

The ACTING PRESIDENT pro tempore. The pending question is the amendment of the Senator from Mississippi.

Who yields time on the amendment? Mr. LOTT. Madam President, why are we even thinking about this tax? Social Security is a separate trust fund. It did not cause the deficit, and it must not be used to solve it. In fact, last year the fund accumulated a $52 billion surplus. The irony here is that this surplus and revenues from the proposed tax increase are not used to reduce our deficit; every dollar of it goes for some spending program. What a monstrous charade this is on our senior citizens. To imply that they are sacrificing to reduce the deficit and then to grab more money out of their pockets to increase spending. Increasing this tax is wrong in principle, and it is unfair to the elderly.

Let us look at a typical case, a widowed schoolteacher whose income from pension, IRA, part-time work, and Social Security is $27,500. This woman is 70 years old. I am disabled due to a heart condition and severe arthritis. I first started paying social security in 1939. It was a covenant agreement between myself and the federal government that I would pay then and they would pay me an amount at 65 years of age untaxed. Since that time, benefits have increased and the amounts paid in have increased. I was never allowed to falter on this agreement. It should not have been taxed in earlier years. The tax should not be increased now. I make a little over $32,000 a year but I am far from rich. I cannot even afford the cost of the new medicines for arthritis. We live very simply and there is no extra money. I have no way to earn it. Why should older people be singled out to make the greatest sacrifice of all? The campaign promise was that only people making over $200,000 would be taxed. Have we stooped so low now that $32,000 is rich?

In the interest of fairness let us look at what this tax does to many of our senior citizens, few of whom are making $25,000 and above and who are rich by any stretch of the imagination. For a single person making $25,000 the tax on their Social Security benefits is increased 70 percent. For heavens sake, you are only looking that we make people earning $250,000 pay a 10 percent surtax. Why do you want to increase this poor senior citizen’s marginal tax rate by 70 percent?

In 1963, when Congress initially passed the law to tax Social Security benefits, it made a deal with the American people that only 50 percent of their benefits would be taxed. The rationale for this value was that it represented only the employer’s contribution. It was not an arbitrary percentage. What is the basis of 85 percent? Could it be Government greed? The other side of the covenant with Social Security is that the proceeds would go only to the Social Security trust fund. Well, I remember a quote by Sam Ervin, the former distinguished Senator from North Carolina, who said “You can shear a sheep every spring, but you can only skin him once.” We have already skinned the sheep.

And, recipients who work, get a double whammy. They are already penalized by the earnings test. For every $3 earned above $10,560, they lose $1 in their Social Security benefits. With this new tax, some beneficiaries who work will actually be worse off if they work hard and earn more wages. For example, let us consider an elderly couple who is still active and has kept working at their small plumbing business. They are lucky and earn enough to pay 28 percent tax rates. After income taxes, self-employment taxes for Social Security, State taxes, and the earnings test, this couple finds that this new tax on their Social Security earnings will force them to pay an extra $1.01 for each $1 that they earn. Is this the incentive for people to work and save for their own retirement? It seems to me the message this tax sends is clear: The harder you work, the higher your taxes.

I have been amazed by my colleagues’ reaction to this tax proposal. When I offered my amendment in the Budget Committee markup, my Democratic colleagues voted against it and said we should debate this issue on the floor. Now, I expect Senators will say “There isn’t really a tax on Social Security recipients in this package. This is just a bunch of numbers. The Finance Committee will make decisions on the tax
March 24, 1993

CONGRESSIONAL RECORD—SENATE

6133

increases." It seems to me that my colleagues believe this should be debated wherever it is not. Come on. The President's budget calls for this tax increase, and the committee instructions include it. We need to take it off the table.

So I urge my colleagues to take a stand for the senior citizens who have helped to make our Nation great. They have spent their lives working hard and paying Social Security taxes for their retirement. I do not believe we should place an additional financial burden on them—particularly one as unfair as this.

The question here is this simple: Should Social Security recipients—retirees making as little as $25,000 a year—pay a higher marginal rate than any other American taxpayer just so the Federal Government can have more money to fund President Clinton's new spending programs?

If you think so, then vote against my amendment; but, if you agree with me that it is unfair for Social Security recipients to pay a larger portion of their income in taxes than other Americans, then I urge you to vote for my amendment.

Madam President, at the appropriate time I will need to ask for the yeas and nays, but I will defer that for a moment. To begin this morning, I would like to yield 5 minutes to the distinguished Senator from Iowa [Mr. GRASSLEY].

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized for 5 minutes.

Mr. GRASSLEY. I thank the Senator for yielding to me.

I support his amendment to strike from the budget a very unfair tax on the senior citizens. This tax in the Clinton budget turns the Clinton fairness issue into a declaration of war on the elderly. Once again, the Administration has unjustly imposed a tax increase rather than a tax adjustment.

President Clinton has several tax messages for all different groups of Americans. For the rich, he says you have it coming. For the middle income, he says you are going to have to wait just a little bit longer. For the poor, he says you will not pay a dime. And now for the elderly in this part of the budget—he says drop dead.

Last night, I heard the Senator from West Virginia [Mr. ROCKEFELLER] talk about seniors who are comfortable, who maybe average in this class $61,000. I do not know about the accuracy of those figures, but whatever the number is, I will bet the class of people we are talking about are the people who worked hard all their lives and saved money for retirement. I wish that the President and our friends on the other side of the aisle would understand one point, and that is there is no class in class warfare.

The elderly of America are amazed at this debate over them and what they ought to pay. They have always been told they are the salt of the Earth; they are the ones who endured the Depression; they are the ones who fought two world wars; they are the ones who gave their kids an education that they never had.

They saved so that they would not be a burden to their younger people in old age. They paid into Social Security so that they would have a safety net, and they consider that Social Security a very sacred trust. Now they are reading about the deficit being headed toward the ozone.

People who are simplistic in their approach to answers to these problems look for a scapegoat. The liberal press has locked on to the seniors.

There is a bandwagon taking place here. The elderly are being accused of being senile by policymakers today, that the elderly are somehow all thought to be senile. The liberal press has locked on to the seniors. There is a bandwagon taking place on our senior citizens. I think the President has never seen a bandwagon he has not jumped on. The elderly are somehow all thought to be senile by policymakers today, that the elderly are somehow all thought to be senile.

Then they are told that they received more than they paid in. Well, what do you think insurance is all about? Seniors, rich and poor, will be stuck with the trickle-down taxes of Clinton—the energy tax, the corporate tax that is going to be passed on, the burden and the cost shifting caused by reduced Medicare payments. Seniors are going to be waiting for the other shoe to drop. They better be waiting, anyway, because there is health care down the road. And you are going to have to wait for all these other shoes to drop before you know whose ox will be gored by the next fairness project that comes out of this administration. That will not be the end though; you have to realize that this administration has more shoes to drop than Imelda Marcos.

So with this seek-the-rich economics, everybody gets wet and only the rich rich rich. What the hell do the seniors going to need is hip boots.

The elderly are being accused of being senile by policymakers today, that the elderly are somehow all thought to be senile. The liberal press has locked on to the seniors. There is a bandwagon taking place on our senior citizens. I think the President has never seen a bandwagon he has not jumped on. The elderly are somehow all thought to be senile by policymakers today, that the elderly are somehow all thought to be senile.

Then they are told that they received more than they paid in. Well, what do you think insurance is all about? Seniors, rich and poor, will be stuck with the trickle-down taxes of Clinton—the energy tax, the corporate tax that is going to be passed on, the burden and the cost shifting caused by reduced Medicare payments. Seniors are going to be waiting for the other shoe to drop. They better be waiting, anyway, because there is health care down the road. And you are going to have to wait for all these other shoes to drop before you know whose ox will be gored by the next fairness project that comes out of this administration. That will not be the end though; you have to realize that this administration has more shoes to drop than Imelda Marcos.

So with this seek-the-rich economics, everybody gets wet and only the rich rich rich. What the hell do the seniors going to need is hip boots.

The elderly are being accused of being senile by policymakers today, that the elderly are somehow all thought to be senile. The liberal press has locked on to the seniors. There is a bandwagon taking place on our senior citizens. I think the President has never seen a bandwagon he has not jumped on. The elderly are somehow all thought to be senile by policymakers today, that the elderly are somehow all thought to be senile.

Then they are told that they received more than they paid in. Well, what do you think insurance is all about? Seniors, rich and poor, will be stuck with the trickle-down taxes of Clinton—the energy tax, the corporate tax that is going to be passed on, the burden and the cost shifting caused by reduced Medicare payments. Seniors are going to be waiting for the other shoe to drop. They better be waiting, anyway, because there is health care down the road. And you are going to have to wait for all these other shoes to drop before you know whose ox will be gored by the next fairness project that comes out of this administration. That will not be the end though; you have to realize that this administration has more shoes to drop than Imelda Marcos.

So with this seek-the-rich economics, everybody gets wet and only the rich rich rich. What the hell do the seniors going to need is hip boots.

The elderly are being accused of being senile by policymakers today, that the elderly are somehow all thought to be senile. The liberal press has locked on to the seniors. There is a bandwagon taking place on our senior citizens. I think the President has never seen a bandwagon he has not jumped on. The elderly are somehow all thought to be senile by policymakers today, that the elderly are somehow all thought to be senile.

Then they are told that they received more than they paid in. Well, what do you think insurance is all about? Seniors, rich and poor, will be stuck with the trickle-down taxes of Clinton—the energy tax, the corporate tax that is going to be passed on, the burden and the cost shifting caused by reduced Medicare payments. Seniors are going to be waiting for the other shoe to drop. They better be waiting, anyway, because there is health care down the road. And you are going to have to wait for all these other shoes to drop before you know whose ox will be gored by the next fairness project that comes out of this administration. That will not be the end though; you have to realize that this administration has more shoes to drop than Imelda Marcos.
percent in spending cuts. I know it is difficult to see the difference in those lines. It is difficult for people to believe that there really are any spending cuts in this proposal. Frankly, there are very few.

I do not think there are enough spending cuts to justify asking seniors to pay additional taxes on Social Security. The message that we are sending to older Americans is that if you postpone spending now and save it for the future, and you accumulate enough to take care of yourself and do not have to rely upon others, the message the President is sending to you is that you must pay more taxes. That is a disincentive. We have spent hours, and days, weeks, and months debating how we can encourage people to save, to take care of themselves, and the disincentive to save that we are imposing upon older Americans with this resolution is just terribly wrong.

We see it in the Democrats are sending a message that we are angry with success, that we want to punish success. This message is also wrong. The message we should be sending is that the Congress is finally going to get serious about cutting Federal spending.

Mr. LOTT. Madam President, in view of the time being consumed at the early hour, I would like to propose a unanimous-consent request that the time be extended for an additional 10 minutes equally divided on each side.

The PRESIDENT pro tem.

Mr. MACK. Mr. LOTT. I ask unanimous consent in view of the hour and the fact that the time has already been placed on the desk to save, to take care of themselves, and the disincentive to save that we are imposing upon older Americans with this resolution is just terribly wrong.

The message we should be sending is that the Congress is finally going to get serious about cutting Federal spending.

Mr. LOTT. Madam President, in view of the time being consumed at the early hour, I would like to propose a unanimous-consent request that the time be extended for an additional 10 minutes equally divided on each side.

The PRESIDENT pro tem.

Mr. MACK. The Chair would object to that in my capacity as a Senator from California.

Mr. LOTT. Madam President, I yield 2 minutes to the distinguished Senator from Pennsylvania.

Mr. MACK. Parliamentary inquiry. Why is it that there would be an objection to extending the time limit when there is no one here on the other side to engage in a debate? All we want to do is have the opportunity to debate this issue. It is extremely important to the people of my State. I think it is unfair to be cut off from this debate because no one on the other side is here.

The ACTING PRESIDENT pro tempore. I believe that any Senator has the right to object. I have taken that right for the time being. That is the way it is.

Mr. MACK. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. LOTT. Madam President, I yield 12 minutes to the Senator from Pennsylvania.
SHAKING OUT MORE TAX DOLLARS

Clinton's proposed Social Security income tax hike could hit you harder than you think. In the examples below, couple 1 receives the maximum Social Security benefit ($30,000 plus $3,000 for spouse); couple 2 receives the maximum Social Security benefit ($13,000 plus spouse's $6,500). Depending on your income, your taxes could increase up to nearly 22 percent.

CURRENT TAXES BASED ON TAXING UP TO 50 PERCENT OF SOCIAL SECURITY INCOME

<table>
<thead>
<tr>
<th></th>
<th>Couple 1</th>
<th>Couple 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGI</td>
<td>$32,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>SS income</td>
<td>2,990</td>
<td>13,000</td>
</tr>
<tr>
<td>Taxable SS</td>
<td>2,250</td>
<td>9,750</td>
</tr>
<tr>
<td>Tax due</td>
<td>22,250</td>
<td>47,750</td>
</tr>
<tr>
<td>Tax increase</td>
<td>7.2%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

* Assumes standard deductions and exemptions.

CLINTON PROPOSAL BASED ON TAXING UP TO 85 PERCENT OF SOCIAL SECURITY INCOME

<table>
<thead>
<tr>
<th></th>
<th>Couple 1</th>
<th>Couple 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGI</td>
<td>$32,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>SS income</td>
<td>2,990</td>
<td>13,000</td>
</tr>
<tr>
<td>Taxable SS</td>
<td>9,000</td>
<td>19,500</td>
</tr>
<tr>
<td>Tax due</td>
<td>21,825</td>
<td>45,575</td>
</tr>
<tr>
<td>Tax increase</td>
<td>7.2%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

* Assumes standard deductions and exemptions.

Mr. LOTT. I yield the floor at this time.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore, The Senator from Tennessee.

Mr. SASSER. Madam President, how much time do I have remaining on our side on this issue?

The ACTING PRESIDENT pro tempore. Fifteen minutes.

Mr. SASSER. Madam President, may I inquire how much time remains for the proponents?

The ACTING PRESIDENT pro tempore. Twenty-eight seconds.

Mr. LOTT. Madam President, parliamentary inquiry. Twenty-eight seconds?

The ACTING PRESIDENT pro tempore. Twenty-eight seconds.

Mr. LOTT. Madam President, parliamentary inquiry. Twenty-eight seconds. I thought we had about 4 minutes left.

Parliamentary inquiry. Does a parliamentary inquiry count against our time?

The ACTING PRESIDENT pro tempore. Yes, it does.

Mr. LOTT. Madam President, I would like the record to show that I resent the way this matter has been handled this morning. This is not the way that I have been led to believe the Senate conducts its business. It is not fair. It is cutting off the small opportunity we have to have a debate on this amendment this morning.

I register my complaint to that. Mr. SASSER. Madam President, is this counted against my time?

The PRESIDING OFFICER. Yes, it is.

Mr. SASSER. I object to the Senator objecting on my time.

Madam President, frankly there is a bit of irony in this Chamber this morning and there was last night. We have had the rather curious spectacle of Members lecturing Members on our side of the aisle about the sanctity of Social Security and the vulnerability of Social Security recipients.

If that is not the world turned upside down, I do not know what it is. I cannot help but marvel at this miraculous transformation that is taking place with our colleagues on the other side of the aisle, how suddenly enlightenment has come to them, and they are presenting themselves as the stalwarts, the protectors of Social Security. What a change?

I remember back in 1985 when then Vice President George Bush sat right in that chair where you are sitting this morning, Madam President, and they actually brought in a Republican Senator on a stretcher so that they could break a tie and cut cost-of-living adjustments for Social Security. That is actually what happened. That Senator they brought in on a stretcher is now the Governor of the State of California, the Honorable Pete Wilson. And the Members on the other side of the aisle voted to reduce cost-of-living adjustments for Social Security recipients.

That impacted on the most vulnerable of the elderly among us.

That is not in the distant past. That is something that occurred just in the recent past.

I remember a Budget Committee session when those on the other side of the aisle controlled this body and were in the majority when the chairman of the committee offered a black box amendment to cut Social Security by $40 billion. That was after a COLA freeze had been defeated on the floor. I believe that was 1983. I say to the majority leader, the strategy was to hide the intended freeze in an unspecified reconciliation instruction.

Keep in mind, Madam President, as I said earlier, that cost-of-living adjustment freezes come out of the pockets of the most vulnerable beneficiaries of Social Security.

In fact, if you get a COLA freeze today, a cost-of-living adjustment freeze, you would push a half million older citizens immediately right below the poverty line.

What are we talking about here to pay the friends on the other side of the aisle would have you believe that President Clinton wants to tax all Social Security beneficiaries and all Social Security benefits. Nothing could be further from the truth. No one is going to pay a tax on Social Security benefits under this provision who is not already paying it.

I hope those on Social Security will hear me this morning and understand that if you are not paying a tax on your Social Security benefits now you will not be paying any tax under President Clinton's proposal. Seventy-eight percent of all Social Security beneficiaries already pay no tax on their Social Security benefits. After President Clinton's proposal passes, that same 78 percent will still not be paying taxes.

The tax rate on those who are presently paying taxes on Social Security, rather than 50 percent of their Social Security benefits being used to flow over into taxable income, if they make more than $32,000 and are single or if they have incomes of more than $52,000 and are married, the 50 percent of their Social Security benefits that will be subject to taxation will be changed to 85 percent.

What is the magic number about 85 percent? It simply is an arbitrary figure that has been selected by those familiar with pension funds, and it is the figure that indicates the amount it excludes from taxation, the amount that the beneficiaries paid into the fund before they retired. They are only going to be taxed on those funds over and above what they paid into the fund.

What happens when Social Security taxes paid by the most affluent beneficiaries of Social Security? It flows into a fund to finance Medicare. That is what is going to happen to it, Madam President. The most affluent 22 percent of the Social Security beneficiaries are going to have a modest rise in the tax on their Social Security benefits above a certain threshold amount, and those funds are going to flow into the Medicare trust fund. That is what is going to happen.

If you listen to our friends on the other side of the aisle, my goodness, you would think that this President was simply going to go out with a mask and gun and rob the old folks. That is exactly what it sounds like.

What do we have before us here? This is simply another effort on the part of our friends on the other side of the aisle to defeat and to dismantle this President's economic plan.

This amendment is simply another legislative hand grenade being lobbed
from a sandbag position on the other side of the aisle in the hope that some­how we can return to gridlock, that somehow there will be a standoff, that somehow immobility can be sustained, that somehow we can unravel Presi­dent Clinton's plan to do something about this deficit, that somehow we can embarrass this new President, that we can force the Government and then capitalize on the dissatisfaction of the American people.

Madam President, I see the distin­guished Senator from Nebraska has ar­rived on the floor and I will yield to him 2 minutes.

The ACTING PRESIDENT pro tem­pore. The Senator from Nebraska is recognized for 2 minutes.

Mr. EXON. Madam President, I thank the Chair and thank my friend from Tennessee.

I would just like to alert the Senate, and I will read the amendment that will be coming up next after the Senate debate on the amendment before us offered by Senator LOTT.

We have looked at this problem. We think it is a serious problem. We have a very substantial amendment that we think would solve the problems as far as most of the Members are concerned, and I say that with regard to people on both sides of the aisle.

The amendment that will be offered following disposal of the LOTT amend­ment will be offered by Senator Lau­TENBERG and myself and simply says that the revenues set forth in this reso­lution assume that the Finance Com­mittee will make every effort to find alternative sources of revenues before imposing new taxes on benefits of So­cial Security with threshold incomes—Madam President, I want to emphasize this—with threshold incomes for the purpose of taxation of Social Security benefits of less than $32,000 per individ­uals and $40,000 for married couples fil­ing returns.

What we are simply saying is, if you cannot find some other way around this, what we are really going to do is say to the Finance Committee, raise the threshold from the $32,000, as it is now for a couple, to $40,000. We think this adequately takes care of the mid­dle-income Americans who we do not think should be further taxed in this area, recognizing the fact that this Senator supports the concept that higher income people should pay 85 per­cent on their Social Security receipts for income tax purposes.

I am simply saying, Madam Presi­dent, that we have here a compromise that I think satisfies most, and the Senate will have an opportunity to vote on that following disposal of the amendment offered by Senator LOTT.

I rest the remainder of my time, and I yield the floor.

(The VICE PRESIDENT assumed the chair.)

Mr. LOTT addressed the Chair.

The VICE PRESIDENT. The Senator from Mississippi is recognized.

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

Let us make it absolutely clear. This amendment would knock out the So­cial Security tax increase on elderly Social Security recipients. This lan­guage in the resolution would tax Social Security recipients down to $25,000 for an individual and $32,000 for a couple.

I do not want to be foiled by this. There will be a motion to table, and if you vote yea to table my amendment, you are voting for a Social Security tax in­crease on the elderly middle class and low income Social Security recipients. That is wrong and unfair. Vote for this amendment.

Mr. DOLE. Mr. President, I ask unan­imous consent that I might proceed for 2 minutes.

The VICE PRESIDENT. Without ob­jection, it is so ordered.

Mr. DOLE. Mr. President, it was about 10 years ago today that the So­cial Security system sort of tumbled into bankruptcy. We had a commission that did good work, and we made a lot of sweeping changes and had broad bipartisan support. On March 23, 1983, 10 years ago, we passed it and, as a result, the system is sound, doing well, and those were tough times; we had to make tough votes. A lot of col­leagues joined together, and we made it work.

I want to remind my colleagues that as a part of that deal—I was on the commission, and I was chairman of the Finance Committee—we sort of made a pact with America's seniors. The bene­ficiaries of incomes above $25,000 for in­dividuals and $32,000 for married cou­ples were asked to pay income taxes up to 50 percent of their benefits.

A lot of people had reservations about this. That was a very difficult vote. At that time, 28 of my colleagues on the other side, who are still serving here—including the chairman of the Fi­nance Committee, who was a member of that commission, and the majority leader—joined me in voting for that package. It passed with strong bipo­litan support. The reason we made it 50 percent is that was the employer's share. We had some rationale to at­least stop it at 50 percent. I think what we are doing now, in effect, whether we raise it or not, we are still saying to them that we did not keep our word that we made 10 years ago. We have made tough votes on this side of the aisle on Social Security, as was pointed out earlier.

I ask my colleagues to go back and take a look at the vote, and at the de­bate in 1983, and I think we will find that we have, in effect, said to our sen­iors, the thing that was said in 1983 was one thing; what we are doing today is something different.

I ask that the vote on that measure be printed in the RECORD.
March 24, 1993

CONGRESSIONAL RECORD—SENATE 6137

DeConcini, Dixon, Dodd, Eagleton, Exon, Ford, Glenn, Hart, Huddleston, Inouye, Jackson, Kennedy, Lautenberg, Leahy, Levin, Long, Mattingly, Melder, Metzenbaum, Mitchell, Moynihan, Nunn, Pell, Proxmire, Pryor, Randolph, Riegel, Sarbanes, Sasser, Stennis, Thornog...

NAYs: (9) 
Republicans (6 or 11%) 
East, Garn, Hatch, Helms, Nickles, Symms.

Democrats (3 or 7%) 
Hefflin, Johnston, Zorinsky.

NOT VOTING: (1) 
Republicans (1) 
Mathias—AV.

Democrats (2) 
Cranston—AV, Hollings—2.

Explanation of Absence: 
1—Official Business. 
2—Necessarily Absent. 
3—Illness. 
4—Other.

Symbols: 
AV—Announced Yea. 
AY—Announced Nay. 
PV—Paird Yea. 
PN—Paird Nay.

Mr. SASSER. Mr. President, I yield 3 minutes to the distinguished Senator from New Jersey.

Mr. CHAFEE. Mr. President, I thought we were going to vote at half past. I am not objecting, but we have a problem.

Mr. MITCHELL. Mr. President, they have used all of their time. Our side has unused time. The distinguished Republican leader asked unanimous consent to get 2 additional minutes to speak.

Mr. CHAFEE. Will we be voting at the end of this?

Mr. MITCHELL. I will take 2 minutes corresponding with the time for the distinguished Republican leader.

Mr. DOMENICI. Mr. President, how much time does the leader have?

Mr. MITCHELL. There are 3 minutes remaining. The Senator’s time is used. I will take 2 minutes to match the Republican leader’s. So that the time used will be exactly equal by both sides.

The VICE PRESIDENT. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I thank the Chair. Very simply, within a few minutes we will have an opportunity to vote on the proposal to eliminate the increase in tax on Social Security, and there is nobody in the Chamber who does not favor that position. But, realistically, the President has a plan, a plan to get America back to work. And to permit it to be sabotaged at this point would derail any possibility of having this program put into effect.

So, Mr. President, very simply, what we are doing is offering the Senators an alternative, an opportunity to make a decision that would help protect modest income Social Security recipients. After the vote on or relation to the pending amendment, I will join with the distinguished Senator from Nebraska [Mr. Exon] to offer an amendment. That amendment will urge the Finance Committee to make every effort to find alternative sources of revenues before imposing new taxes on the benefits of Social Security beneficiaries with threshold incomes of less than $32,000 for individuals and $40,000 for married couples filing joint returns. I ask all of our colleagues to keep in mind that the following amendment will provide you with a chance to express yourself on Social Security, in a way consistent with the President’s plan to get the country back to work.

I yield the floor.

Mr. HATCH. Mr. President, I rise today as a strong supporter and co-sponsor of this amendment.

When telling the American people about his economic plan, President Clinton said that his proposed income tax increase would only affect those with adjusted gross incomes above $100,000, that only 1.2 percent of American families would see their income taxes increase, and that low-income families would see the additional taxes offset through increased spending on relief programs or through expanded tax credits.

But, Mr. President, these claims are simply not true as to the impact of the plan on a large portion of our society, or under the law as it counts numbers of individuals. President Clinton’s proposal to tax 85 percent of the Social Security retirement and disability benefits would increase the taxes paid by senior American couples earning as little as $22,000 a year and individuals earning only $25,000 a year. This is much less than the $100,000 figure the President quoted during his State of the Union Address—not to mention the $200,000 figure he quoted during his State of the Union Address.

Right now, this tax increase will affect roughly 22 percent of all Social Security recipients and, since the $32,000 and $25,000 threshold is not indexed for inflation, this proportion will increase to about 30 percent by 1998. Do the senior citizens of America deserve to be hit this much harder than the rest of us? Although, in truth, I do not believe that any taxpayer deserves to be hit for higher taxes until Congress does its job and cuts spending.

President Clinton stated that the tax increases would be offset for low-income taxpayers. While it is true that the increased spending for the Low-Income Home Energy Assistance Program and the Food Stamp Program will help some seniors, the expansion of the earned income tax credit will not.

A significant portion of the relief deemed to offset the additional taxes will not reach some of those who need it most—those senior citizens who do not rely on Social Security alone to finance their retirement. These citizens should be rewarded, not penalized. They are trying to supplement their income and rely less on their families and the Federal Government in paying for their living expenses during retirement.

Mr. President, increasing the portion of benefits subject to tax would increase the marginal tax rate for these middle-income retirees by 5 to 30 percentage points, and some working seniors will face rates in excess of 100 percent. President Clinton’s proposal will mean that senior citizens will pay an average of $483 in additional tax revenues. For someone earning $32,000, this is outrageous.

Let me share with you an example of how this proposal will affect a retired Utah couple. This couple worked hard all of their lives side by side running a small furniture store in a northern Utah town. They were moderately successful and have now retired on their Social Security benefits, a salary from the wife’s part-time job, and the dividends and interest they earn each year from their savings and individual retirement accounts. Under the current law, this couple would pay income taxes of $4,950, including tax on half of their Social Security. Under the President’s proposal to tax 85 percent of the Social Security benefits, though, this tax would be $6,403. This is $1,453 higher.

Mr. President—an increase of almost 30 percent. The President’s plan does not even ask the very wealthy to pay 30 percent more. In fact, one example that I saw of the impact of the proposed tax rate, including the surtax, on those making over $250,000 per year showed an increase in tax under the plan of 14 percent.

Why are we putting this burden on the backs of our seniors? The marginal tax rates on working seniors that are subject to the Social Security earnings limit would be even more outrageous under the President’s plan. When a Social Security recipient continues to work and is subject to the earnings test, the new proposal to tax 85 percent of the Social Security benefits would increase the tax rate to above 100 percent, when combined with payroll and State taxes. This means that every extra dollar earned by working harder would result in a higher tax of over $1, leaving the worker with less money than by not working at all.

Mr. President, I believe that we should be repealing the earnings limit, not increasing the penalty for those working toward retirement. The current tax treatment of retirees already creates enormous disincentives to work and save. President Clinton’s proposal only exacerbates this flaw and further penalizes those who have saved to provide for their retirement.

Not only is the increase in the portion of benefits subject to tax unfair, it is bad policy. Tax revenues gained from taxing Social Security benefits should be used to pay for Social Security, not new spending. When established in 1994,
the tax on Social Security benefits was designed to make the trust funds healthy again. To address this, a Senate subcommittee of the Finance Committee has proposed that Congress remove the earnings limit so all recipients receiving benefits would be taxed on their Social Security benefits. This change is less than $1.01 for someone earning $35,000, and the change is less than $300 for someone earning $106,000. Yet, some individuals who are in the upper 1 percent of the income distribution would pay $3,000 more in taxes under this change.

Many seniors cannot afford to pay even these additional taxes. Social Security and Medicare benefits are already lower than what is needed to maintain a decent living and enable retirees to live with dignity. To increase taxes and force seniors to work more will only make matters worse. For example, a woman whose husband died in the 9/11 attacks and who is 62 years old will be forced to work full time to make ends meet. She is not wealthy and has no credit to borrow on, since she used up all her credit to pay for her husband's care and funeral. Seniors who are willing to work are already doing so and are not burdened by the current earnings limit.

President Clinton's proposal to increase the tax on Social Security benefits is not a reasonable or fair approach to budget reform. Instead, Congress should consider the recommendations of the bipartisan Commission on Social Security Reform, which includes eliminating the earnings limit and addressing the unfunded liabilities of the program through a combination of changes.

To summarize, the proposed Social Security tax increase will impact seniors' tax burdens. However, Congress should consider other options to address the fiscal challenges facing the Social Security system, such as eliminating the earnings limit and reducing the deficit through other means.,
### The Burden of Being Old

The effects of President Clinton's proposed tax changes on a hypothetical unmarried retiree who takes the standard deduction, combined with a two-career couple to deal with substantial itemized deductions for mortgage interest and state and local taxes.

<table>
<thead>
<tr>
<th>The retiree</th>
<th>The couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security benefits</td>
<td>Income (Wages, interest, pensions, dividends, etc.)</td>
</tr>
<tr>
<td>Interest and dividends, no capital gains</td>
<td>Source: Price Waterhouse &amp; Co.</td>
</tr>
<tr>
<td>Adjusted gross income</td>
<td>Current law</td>
</tr>
<tr>
<td>$40,413</td>
<td>$180,000</td>
</tr>
<tr>
<td>Deductions</td>
<td>4,400</td>
</tr>
<tr>
<td>Taxable income</td>
<td>36,013</td>
</tr>
<tr>
<td>Tax due</td>
<td>6,800</td>
</tr>
<tr>
<td>Increase from current law</td>
<td>$1,461</td>
</tr>
<tr>
<td>Percent increase</td>
<td>25%</td>
</tr>
</tbody>
</table>

(From the Wall Street Journal, Feb. 9, 1993)

**RETIREES GET SOCKED AGAIN**

(By Stephen J. Entin)

When President Clinton claims that his proposed income tax increases will affect only the affluent and the very wealthy, those with annual incomes above $100,000, he's forgetting about the elderly. Among his proposals is one to tax 85% of the Social Security retirement and disability benefits of couples who earn more than $32,000 a year and singles who earn more than $25,000. Right now, the roughly 20% of the elderly and the disabled who earn more than these amounts pay taxes on just 50% of their Social Security benefits.

If enacted, this change would increase the marginal tax rate on the incomes of many middle-income retirees. Those affected would see their marginal rate increase by five to 10 percentage points. Some could even face rates in excess of 100%.

In fact, the tax on benefits does not fall on the benefits themselves but on a retiree's other, privately earned income. The operating philosophy seems to be: The harder you've worked to save for your retirement, the higher your taxes are.

The current system of taxing retirees is extremely complicated. Social Security benefits begin to be taxed when something is earned under the normal threshold of $15,000. But the threshold for extra income (MAGI) reaches $36,000. If he's earning $36,000 on his own, the phase-in rate would be immediately taxable. This would be a "phase-in" rate of 85%, and would increase a retiree's marginal tax rate to 153 times the normal rate. Under current law, the normal rate of 15% would become 27.6% and the normal rate of 22% would jump to 51.8%.

Some of this year's Social Security benefits are used to pay for Medicare premiums, so by 1998, the 85% rate would be 90%.

For the working recipient who loses $1 in Social Security payroll tax on $1 earned, the marginal tax rate can zoom above 100%.

### Table: Impact of Proposed Social Security Tax Changes on Hypothetical Retirees

<table>
<thead>
<tr>
<th>MAGI</th>
<th>Current Law</th>
<th>Proposed Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36,000</td>
<td>$180,000</td>
<td>$180,600</td>
</tr>
<tr>
<td>$43,623</td>
<td>$252,000</td>
<td>$252,600</td>
</tr>
<tr>
<td>$50,410</td>
<td>$324,600</td>
<td>$325,200</td>
</tr>
<tr>
<td>$59,010</td>
<td>$436,000</td>
<td>$436,600</td>
</tr>
</tbody>
</table>

The crucial question, to which the president's budget offers no answer, is how "85%" is interpreted. No one at the Social Security Administration seems to know.

Mr. Clinton's proposal, if enacted, will hit every dollar of extra income, will a retiree pay taxes on $1.50 (like today), but (unlike today) will that tax treatment continue until he has paid taxes on $185 (instead of 50%) of his Social Security benefits? Under this interpretation, the phase-in rate would stay the same (50%), but a broader range of retirement income would be hit by today's super-normal rates.

There's a third possibility that must be considered in trying to decipher what "85%" means: Would an 85% rate apply to the percentage of Social Security benefits included in a retiree's MAGI, a percentage that is currently 50%? If that's the case, some retirees with MAGIs above the tax thresholds of $20,000 or $32,000 would not be taxed.

In his address to Congress this month, Mr. Clinton promised that his proposal won't increase the number of retirees who pay taxes on their Social Security benefits. To keep that promise, he'll have to make sure that the share of Social Security benefits included in the MAGI is not increased to 85%. Of course, there's Inflation. Unless the income thresholds for taxation of benefits are adjusted for inflation, as years go by more and more retirees will find themselves with MAGIs above the threshold.

Social Security benefits are 30% of a retiree's income, so that's a substantial itemized deduction for mortgage interest and state and local taxes.

As a free-standing proposal, AARP would oppose it, says Marty Corry, the association's director of federal affairs, but 'we're still evaluating the whole proposal.' AARP is about 11 million Social Security recipients. Switching into tax-exempt investments may lower a retiree's total tax bill but will not avoid the need to pay the Social Security tax on their Social Security benefits. Income from tax-exempt investments, such as municipal bond interest, is included when calculating whether income exceeds the thresholds for benefits to be taxed. 'I don't know that there's a lot of these people can do,' says Mark Springer, a partner with accountants KPMG Peat Marwick in Washington. 'They're just caught.'
The current tax treatment of retirees—over 65—under President Clinton's 85% tax hike creates enormous disincentives to work and save. The Clinton proposal would exacerbate this flaw. If his object is fairness, he cannot achieve it with tax rates approaching or exceeding 100%. If his object is to turn Social Security into a means-tested welfare program, he can achieve it by drastically reducing Americans from saving in individual retirement accounts. Another is the imposition of the earnings limitation on seniors that would like to continue working, but risk losing their Social Security benefits if they do so. Now, some would like to tie otherwise independent Americans to the limited hand of Government, again. The message that is being sent is, don't save for your retirement, because you'll be punished if you do. You are better off under the Clinton administration if you spend all your money today, and forget about tomorrow. What kind of plan for saving and investment is this?

Let's review the facts. Under the Budget Committee's plan, 23 percent of Social Security beneficiaries will have to pay 70 percent more in taxes on benefits. This means that the maximum amount of benefits subject to the income tax is 50 percent, but if this becomes law then 85 percent of these benefits will be taxed. In addition, since the income thresholds on this tax are not indexed for inflation, more and more beneficiaries will be taxed in the future. In 1994, 23 percent of beneficiaries will have a 70-percent tax hike, but in only 4 short years that percentage will increase by almost a third to 30 percent, according to the Congressional Budget Office (CBO). Although this will be a 70-percent tax increase on benefits, for some the tax will be even more onerous, and discourage seniors from working, saving, and investing—three things that are vital for a growing economy. If you look at a self-employed senior in the 28-percent bracket, as little as $22,100, by combining the earning limits, the Social Security tax, the income tax, State income taxes and this new 85 percent of benefits tax, this senior could lose as much as $1.01 for every additional dollar he earns. Most seniors will lose at least 70 cents for every dollar they earn if they simply want to continue to work. Keep in mind that these seniors are not rich. They are earning between $20,000 and $40,000 a year, and yet the marginal tax rates they are facing are higher than anyone else in the country. Far too many politicians today seem to be preoccupied with raising taxes to pay for their programs, without considering the impact these disincentives have on Americans.

Finally, I would like to point out the flaws in the administration's theory that this tax hike will treat Social Security pensions more like private and public pensions. I strongly disagree. In fact, the 85 percent inclusion ratio is not fair; it results in the double taxation of seniors of today and tomorrow, and it is not based on the current rules for other pension plans. In fact, I've written an article on this topic, and it was published just this week in Tax Notes, and I would ask that the entire article be included in the Record in its entirety. I should encourage other Members to read this and see for yourself how this tax would punish seniors unfairly.

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

**Proposed Social Security Tax Hike Explained**

(By Nancy F. Blumberg)

President Clinton's proposal to increase the tax on Social Security benefits has raised considerable concern and questions among retirees.

Before evaluating the effect of the proposal, first consider current rules.

Prior to 1984, all Social Security benefits were free from tax. Currently, persons who are single or head of household with income in excess of $25,000, and persons who are married and filing a joint return with income in excess of $32,000, are taxed on some of their benefits. Therefore, your Social Security benefits may be taxable depending on the amount of your income including Social Security benefits, and on your filing status.

What income is included in determining whether your benefits are taxable? All your income, except income from Social Security benefits plus your tax-exempt interest is included.

Tax-exempt interest is includable in determining whether your Social Security benefits are taxable, even though such interest is not included in calculating your taxable income.

You then add half your Social Security benefits to this income. If your total is above the $32,000 or $25,000 thresholds, then some of your benefits will be taxable.

Under current law, the taxable benefits are the lesser of (1) half your net Social Security benefit, and (2) half the excess of certain income items over the base amount for your filing status.

Those income items include all taxable income—except Social Security benefits—tax-exempt interest and half of your net Social Security benefits. Therefore, the most that will be taxable is half of the benefits you received.

**What the Changes Do**

Under Clinton's proposal, the taxable portion of your benefit will be a maximum of 85 percent of your net benefits in the first year. It also may lower the amount of income necessary before you are taxed since 85 percent of your benefits may be added to other income sources. Therefore, more taxpayers may find a portion of their benefits subject to tax.

This change can be illustrated by looking at the calculation of taxable Social Security benefits under the current law and under Clinton's proposal.

Here is an example. You are single and have Social Security benefit of $8,000. In addition, you also have a pension of $20,000 a year and interest of $4,000. Under current law, you would compute your taxable benefits as follows:

Add 50 percent of your Social Security benefits ($4,000) and income included on your tax return but not included in your Social Security benefits ($2,000). The total: $25,000.

The base income amount equals $26,000.

Excess income over base amount is $3,000.

**CONGRESSIONAL RECORD—SENATE**

March 24, 1993

payers' incentives to work and save for their retirements.

The current tax treatment of retirees—over 65—under President Clinton's 85% tax hike creates enormous disincentives to work and save. The Clinton proposal would exacerbate this flaw. If his object is fairness, he cannot achieve it with tax rates approaching or exceeding 100%. If his object is to turn Social Security into a means-tested welfare program, he can achieve it by drastically reducing Americans from saving in individual retirement accounts. Another is the imposition of the earnings limitation on seniors that would like to continue working, but risk losing their Social Security benefits if they do so. Now, some would like to tie otherwise independent Americans to the limited hand of Government, again. The message that is being sent is, don't save for your retirement, because you'll be punished if you do. You are better off under the Clinton administration if you spend all your money today, and forget about tomorrow. What kind of plan for saving and investment is this?

Let's review the facts. Under the Budget Committee's plan, 23 percent of Social Security beneficiaries will have to pay 70 percent more in taxes on benefits. This means that the maximum amount of benefits subject to the income tax is 50 percent, but if this becomes law then 85 percent of these benefits will be taxed. In addition, since the income thresholds on this tax are not indexed for inflation, more and more beneficiaries will be taxed in the future. In 1994, 23 percent of beneficiaries will have a 70-percent tax hike, but in only 4 short years that percentage will increase by almost a third to 30 percent, according to the Congressional Budget Office (CBO). Although this will be a 70-percent tax increase on benefits, for some the tax will be even more onerous, and discourage seniors from working, saving, and investing—three things that are vital for a growing economy. If you look at a self-employed senior in the 28-percent bracket, as little as $22,100, by combining the earnings limit, the Social Security tax, the income tax, State income taxes and this new 85 percent of benefits tax, this senior could lose as much as $1.01 for every additional dollar he earns. Most seniors will lose at least 70 cents for every dollar they earn if they simply want to continue to work. Keep in mind that these seniors are not rich. They are earning between $20,000 and $40,000 a year, and yet the marginal tax rates they are facing are higher than anyone else in the country. Far too many politicians today seem to be preoccupied with raising taxes to pay for their programs, without considering the impact these disincentives have on Americans.

Finally, I would like to point out the flaws in the administration's theory that this tax hike will treat Social Security pensions more like private and public pensions. I strongly disagree. In fact, the 85 percent inclusion ratio is not fair; it results in the double taxation of seniors of today and tomorrow, and it is not based on the current rules for other pension plans. In fact, I've written an article on this topic, and it was published just this week in Tax Notes, and I would ask that the entire article be included in the Record in its entirety. I should encourage other Members to read this and see for yourself how this tax would punish seniors unfairly.

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

**Proposed Social Security Tax Hike Explained**

(By Nancy F. Blumberg)

President Clinton's proposal to increase the tax on Social Security benefits has raised considerable concern and questions among retirees.

Before evaluating the effect of the proposal, first consider current rules.

Prior to 1984, all Social Security benefits were free from tax. Currently, persons who are single or head of household with income in excess of $25,000, and persons who are married and filing a joint return with income in excess of $32,000, are taxed on some of their benefits. Therefore, your Social Security benefits may be taxable depending on the amount of your income including Social Security benefits, and on your filing status.

What income is included in determining whether your benefits are taxable? All your income, except income from Social Security benefits plus your tax-exempt interest is included.

Tax-exempt interest is includable in determining whether your Social Security benefits are taxable, even though such interest is not included in calculating your taxable income.

You then add half your Social Security benefits to this income. If your total is above the $32,000 or $25,000 thresholds, then some of your benefits will be taxable.

Under current law, the taxable benefits are the lesser of (1) half your net Social Security benefit, and (2) half the excess of certain income items over the base amount for your filing status.

Those income items include all taxable income—except Social Security benefits—tax-exempt interest and half of your net Social Security benefits. Therefore, the most that will be taxable is half of the benefits you received.

**What the Changes Do**

Under Clinton's proposal, the taxable portion of your benefit will be a maximum of 85 percent of your net benefits in the first year. It also may lower the amount of income necessary before you are taxed since 85 percent of your benefits may be added to other income sources. Therefore, more taxpayers may find a portion of their benefits subject to tax.

This change can be illustrated by looking at the calculation of taxable Social Security benefits under the current law and under Clinton's proposal.

Here is an example. You are single and have Social Security benefit of $8,000. In addition, you also have a pension of $20,000 a year and interest of $4,000. Under current law, you would compute your taxable benefits as follows:

Add 50 percent of your Social Security benefits ($4,000) and income included on your tax return but not included in your Social Security benefits ($2,000). The total: $25,000.

The base income amount equals $26,000.

Excess income over base amount is $3,000.
Taxable benefits are the smaller of 50 percent of your Social Security benefit or 50 percent of the difference between the base amount and the smaller of 50 percent of your Social Security benefits or 85 percent of the excess over the base amount ($5,000; $9,900). The latter example shows a tax increase of $960 for a taxpayer in the 28 percent bracket ($4,930 minus $1,500 equals $3,430 at 28 percent).

The tax increase can be substantial for some taxpayers receiving taxable Social Security benefits. To illustrate how costly this may be, consider another example.

In this case assume, your Social Security benefits are $14,000, and you have other income of $30,000. You would be taxable on $46,000 of income. If you assume that this taxpayer would result in a tax increase of $6,150 in the 28 percent bracket, an increase in tax of almost $21,000.

There are investments available that could decrease your current income. This will help some retirees reduce their taxable benefits. A tax deferred annuity may be appropriate for some, but caution in choosing a product and evaluating your personal needs is advised.

[From Tax Notes, Mar. 22, 1983] DOUBLE TAXING SENIORS OF TODAY AND TOMORROW

(By Senator William V. Roth, Jr.) A basic tenet of the U.S. system of taxation has held that taxpayers should be taxed only once on their income, but a new proposal from President Clinton wavers from the bipartisan agreement reached in 1983 to save the Social Security trust fund from bankruptcy.

I am speaking of the Clinton proposal to increase the Social Security benefit received by earnings subject to income taxes to 15 percent from 10 percent. I oppose this increase, and I am opposed to the tax on 85 percent of benefits. This is a pretax contribution. If there is anything but fair and will result in the double taxation of seniors today and especially the seniors of tomorrow. This is because more and more seniors will be covered by Social Security, and more and more benefits will be subject to taxation as the average income of the beneficiaries grows. This is one way to allocate any increase in benefits to higher-income households.

This idea is anything but fair and will result in the double taxation of seniors today and especially the seniors of tomorrow. This is because more and more seniors will be covered by Social Security, and more and more benefits will be subject to taxation as the average income of the beneficiaries grows. This is one way to allocate any increase in benefits to higher-income households.

There are investments available that could decrease your current income. This will help some retirees reduce their taxable benefits. A tax deferred annuity may be appropriate for some, but caution in choosing a product and evaluating your personal needs is advised.
not accept new spending initiatives fi-
nanced by the retirement benefits of
our seniors. It also sends a clear signal to
the American people that not every­
one in this Chamber is swooning over the
false promise of Clintonomics, which claims that massive tax in-
creases will lead to job growth, and
that massive new spending will lead to
deficit reduction.

President, we have a problem here: The Federal Government consist-
ently spends more money than it col-
lects. If it collects more, it simply
spends more. Americans have been
suckered into sacrificing more of their
hard-earned wages and retirement ben-
efits more times than I can count,
thinking that the Government would
cut the deficit. Let us for once try
to reverse the growth of the
Government.

We should concentrate on eliminat-
ing waste, eliminating fraud, curbing
pork-barrel spending, and axing obso-
et spending, when we can look into our constituents' eyes and
honesty claim that we are spending their
money responsibly should we consider
asking them for more. We certainly
cannot make that claim now.

Mr. President, I saw a poll today that
showed that when made aware of the
tax increase on Social Security bene-
fits, 66 percent of Americans who ini-
tially support the Clinton plan change
their minds. Also, Americans support
spending cuts over tax increases to re-
duce the deficit by a 14-to-1 margin.
The Lott amendment will allow the
Senate to address both of these con-
cerns by eliminating the tax increase and
cutting out some of the new Clinton
spending. I urge all of my col-
leagues to listen to the American peo-
ple and vote for the Lott amendment.

Mr. MITCHELL. Mr. President, often
what occurs in the Senate is not what
it appears to be. That is the case this
morning. This amendment has little to
do with Social Security, and even less
to do with taxes. This amendment is a
torpedo aimed at President Clinton.
This amendment is to undo the Presi-
dent's program. This is an effort to
undermine the President's program. This
is part of a continuing assault on the
President's program. This is an effort to
to the American people that not every­
one in this Chamber is swooning over the
false promise of Clintonomics, which claims that massive tax in-
creases will lead to job growth, and
that massive new spending will lead to
deficit reduction.

President, we have a problem here: The Federal Government consist-
ently spends more money than it col-
lects. If it collects more, it simply
spends more. Americans have been
suckered into sacrificing more of their
hard-earned wages and retirement ben-
efits more times than I can count,
thinking that the Government would
cut the deficit. Let us for once try
to reverse the growth of the
Government.

We should concentrate on eliminat-
ing waste, eliminating fraud, curbing
pork-barrel spending, and axing obso-
et spending, when we can look into our constituents' eyes and
honesty claim that we are spending their
money responsibly should we consider
asking them for more. We certainly
cannot make that claim now.

Mr. President, I saw a poll today that
showed that when made aware of the
tax increase on Social Security bene-
fits, 66 percent of Americans who ini-
tially support the Clinton plan change
their minds. Also, Americans support
spending cuts over tax increases to re-
duce the deficit by a 14-to-1 margin.
The Lott amendment will allow the
Senate to address both of these con-
cerns by eliminating the tax increase and
cutting out some of the new Clinton
spending. I urge all of my col-
leagues to listen to the American peo-
ple and vote for the Lott amendment.

Mr. MITCHELL. Mr. President, often
what occurs in the Senate is not what
it appears to be. That is the case this
morning. This amendment has little to
do with Social Security, and even less
to do with taxes. This amendment is a
torpedo aimed at President Clinton.
This amendment is to undo the Presi-
dent's program. This is an effort to
undermine the President's program. This
is part of a continuing assault on the
President's program. This is an effort to
in the Senate. Is there any other Senators in the Chamber de-
siring to vote?

The question? The Vice President. The Senate will be in order.

Under the previous order, the Sen-
or New Jersey, Senator LAU-
TENBERG, is recognized to offer an
amendment.

Mr. LAU TENBERG. I thank the
Chair.

Mr. President, may we have order in
the Chamber, please?

The VICE PRESIDENT. The Senate
will be in order. Senators wishing to
conduct conversations will please re-
tire to the cloakrooms.

The Senator from New Jersey.

AMENDMENT NO. 242

(Purpose: To express the sense of the Senate on Social Security taxation)

Mr. LAU TENBERG. Mr. President, I
send an amendment to the desk on be-
half of Senator EXON and myself and
ask for its immediate consideration.

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

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. EXON], for himself and Mr. LAU-
TENBERG, proposes an amendment numbered 242.
At the appropriate place insert the following new section:

SEC. SENSE OF THE SENATE ON SOCIAL SECURITY TAXES.

It is the sense of the Senate that the revenues set forth in this resolution assume that the Finance Committee will make every effort to find alternative sources of revenue before imposing new taxes on the benefits of Social Security beneficiaries with threshold incomes (for purposes of the taxation of Social Security benefits) of less than $32,000 for individuals and $46,000 for married couples filing joint returns.

Mr. LAUTENBERG. Mr. President, this amendment is designed to put the Senate on record in support of a simple message. It is a message about priorities.

And I would like, if I may, to inquire what is the time allocation for this and how is it divided.

THE PRESIDING OFFICER. For this measure, I hour evenly divided.

Mr. LAUTENBERG. The message is simple. It says the Finance Committee, and I say the Congress, should make every effort to find alternative sources of revenue before we impose new taxes on the benefits of Social Security beneficiaries with moderate incomes.

Mr. President, President Clinton has proposed a bold, aggressive plan to get our economy back on track, reduce our deficit, and get people back to work. And that is what the American people want. They want action. While most uncontroversial, the legislation that will be debated by the Congress will argue over some fine points, at the end of the day they want us to pull together. They want Democrats and Republicans alike to get the job done. And that is the purpose of this budget resolution. To help it we are proposing this sense-of-the-Senate resolution.

No one likes all of the proposals in the administration plan to get our economy back on track, reduce our deficit, and get people back to work. And that is what the American people want. They want action. While most uncontroversial, the legislation that will be debated by the Congress will argue over some fine points, at the end of the day they want us to pull together. They want Democrats and Republicans alike to get the job done. And that is the purpose of this budget resolution. To help it we are proposing this sense-of-the-Senate resolution.

As my colleagues know, this budget resolution proposes revenues, spending, and deficit targets for the next 5 years. The mission is to reduce the deficit, get people back to work, and get the economy moving again. The resolution directs various committees to develop legislation that achieves certain levels of deficit reduction. However, it does not, and a budget resolution cannot, dictate specific policies.

Having said that, I think it is obvious that the Finance Committee is expected to give the highest priority to the President's recommendations.

In general, the President's revenue recommendations put most of the burden where it rightfully belongs—on the very wealthy and the powerful interests who have benefited disproportionately from the policies of the last 12 years. But one of the concerns that I have about the plan is the proposal to increase the portion of Social Security benefits subject to taxation. To lift that portion from 50 to 85 percent.
economic stimulus and deficit reduc­
tion that will get our economy going, and put us on the path toward real fis­cal responsibility.

Mr. President, I yield the floor and ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered. The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Eighteen minutes.

Mr. LAUTENBERG. I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, the amend­ment I am offering today with my good friend from New Jersey is a sense-of­the-Senate amendment indicating that the Senate Finance Committee should make every effort to assure that the proposal made by President Clinton to tax Social Security benefits should only apply to those with incomes that exceed $32,000 for individuals and $40,000 for couples if any tax at all is so administered.

As has been discussed, under the cur­rent law, up to 50 percent of the Social Security benefits are currently in­cluded in taxable income for those So­cial Security recipients with income and benefits exceeding $25,000 for an in­dividual and $32,000 for couples.

My amendment calls upon the Senate Finance Committee to recommend a course of action that will assure that the threshold limits will be raised as high as possible, yet still enable our President to meet his deficit reduction goals.

Mr. President, let me first say that I believe one of the strong points of the deficit reduction package before us is that it calls for sacrifices from a wide range of groups and interests. In that regard, it is balanced and, for the most part, a fair package that calls for shared sacrifice from most Americans.

Our Nation’s elderly residents are not excluded from that mix, but are treat­ed fairly if the amendment that we are offering is accepted.

Other tax increases in the plan, how­ever, rightly focus on our wealthiest taxpayers. For example, the new 36 percent tax rate will fall upon couples with incomes of over $140,000 and single filers with income over $115,000. Al­though the tax will have an ef­fect on nearly every American, there can be no doubt that our President’s economic plan is at least intended and I think was originally designed to place a heavier burden on those who can most afford to carry the burden.

The President’s proposal to raise the taxable amount of Social Security ben­efits does not meet the fairness test, in my view. That is why we are suggest­ing this very important change. The tax increases in that proposal begin to have an effect for married couples who already are assumed to have other in­come. Although the tax is phased in for those with incomes near the thresh­olds, the real impact of the President’s suggested proposal hits those couples very hard if their income is between $30,000 and $40,000.

Example: For a couple with other in­comes of $35,000 and Social Security benefits of $15,000, the increase in taxes is over $500.

While I do agree that some changes could be made in the manner in which Social Security benefits are taxed, I believe that a better approach to the one outlined by our President would be to have the higher level imposed upon those with incomes of at least over $40,000 for a married couple and at least $32,000 for a single filer. If at all pos­sible, even higher thresholds should be put in place. What we are trying to do is to do it with our usual great princi­ple of shared sacrifice. I urge its adoption. I reserve the remainder of our time and I yield the floor.

The PRESIDING OFFICER. The Sen­ator from New Mexico.

Mr. DOMENICI. Parliamentary in­quiry, Mr. President. How much time remains on that side and how much time do we have under the unanimous­consent agreement?

The PRESIDING OFFICER. Eleven minutes, 13 seconds for the proponents; 30 minutes for the opposition.

Mr. DOMENICI. I thank the Chair. I yield myself 5 minutes. Let me indi­cate that as to the 30 minutes on our side, obviously I do not need anything like 30 minutes for my thoughts on this. I am going to yield rather quickly 10 minutes to Senator Spector and the proponent of the real amendment on this is going to have 5 minutes or so and we will see how that all yields out on our side.

Mr. President, let me talk about this amendment, giving the highest respect to my good friend from New Jersey and my friend from Nebraska. The majority leader, Senator MITCHELL, a while ago, in talking about an amendment that actually took taxes out of the order to the Finance Committee to raise taxes— it took out the amount that is rep­resented by the tax on senior citizens and said we are removing that $32 bil­lion so we do not even impose it; so seniors, you do not have to worry about it. So it is a done deal, if you would have adopted the amendment which was defeated awhile ago. So he is putting on the table that is always with his usual great wordmanship— that the amendment was “trans­parent.” “Transparent” was the word.

Well, let me see if I can borrow from the distinguished majority leader and talk about this amendment.

If there ever was a transparent amendment, this one is of double trans­parency. This one is more like a trans­parent figleaf than a real amendment—a transparent figleaf. Why? Because es­sentially it says, seniors, we are trying to help you and we wish the Finance Committee would not impose a tax on you. That is the first transparency, to talk to them and we are doing anything for them when you are wishing a com­mittee that has been instructed to raise 300 billion dollars’ worth of reve­ nue, and in that $300 billion is the as­sumption that Social Security recipi­ents will be taxed, we will not tax them. That is the first wish.

Then the second wish. Lo and behold, it is determined that the threshold for
taxation is too low in the proposal of the President because seniors are complaining that they did not think they were rich if they made $27,000 Social Security, pension, and everything else combined. That is why I submit that the President or a Democrat raises an issue about the President's plan that is indeed controversial—you remember, we should have courage; we should support the President's full plan. But whenever there is a real controversy, the other side offers a transparency, a sense-of-the-Senate that we are really not going to do that even though the budget resolution says we ought to do it.

We can go through them: Grazing fees, that was one, grazing fees and mining fees. We really do not intend to do that, so we want to tell everybody we are going to save them out there in the West. So we put in a sense-of-the-Senate. Combined, so they are in the budget; it is in the President's plan. We are going to vote for this budget, say those Members who offer these sense-of-the-Senate resolutions on that side. But do not worry, we are going to vote here today and when we are finished voting this is will be plenty of votes on the Democrat side to say we really do not intend it. We do not intend that the committee do this; do something else.

Now, my second point, made in all deference to the proponents, is that if this is a little item—$750 billion—one might honestly look out there and say we really do not think they have to do it, and I am going to go home and tell my people not to worry because I do not think they are going to do this to you. But this is one of the largest new tax components in the President's plan. It is $32 billion. Now, are we going to change his plan? I say to the Finance Committee: We have adopted a resolution, and it says it is the sense of the Senate that we really hope, we really do not think you have to put that tax on. Tax somebody else.

Well, maybe we ought to ask who? You remember Russell Long's famous saying: "Don't tax me; tax the person behind the tree."

Well, here we are saying do not tax Social Security even though it is in the President's plan because we are beginning to hear from a lot of senior citizens that they do not like this. So wish No. 1 is do not do that.

But is there any suggestion as to where we might get $32 billion? The American people understand: $32 billion in new taxes does not grow on trees. You take it away from Americans somewhere because you tax somebody else more. Who? I submit maybe you ought to raise the Btu tax for the $32 billion. That would be a good one, would it not? Raise $32 billion from the Btu tax. Suspend indexing. Cut mortgage interest deductions, State and local tax deductions. You can do any of those items. But do not do what the President was going to do, because we are getting a lot of complaints about it.

So, Mr. President, I am going to urge on our side that those who think the way we do vote against this. I vote against this transparency, this cover-up, this double transparency, because it truly is a figleaf. It does not do much at all. And yet there are those who would like the seniors to think that they have really saved them with this sense-of-the-Senate resolution.

Now, Mr. President, I yield 10 minutes to Senator SPECTER from Pennsylvania, and I yield the floor at this point.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair. Mr. President, I thank my distinguished colleague from New Mexico for allowing me to come to the floor to compliment him on the statement which he has just made because I believe it goes to the heart of what is happening with respect to this budget resolution. I believe Senator Domenici has coined a good phrase when he talks about controversy and transparency. Every time there is a controversial issue which has been raised, with this side of the aisle objecting to it, as the distinguished Senator from Mississippi, Senator LOTT, did on wanting to change the tax on Social Security, which is regressive—a fancy word which means that it hits low-income people—then immediately we have a sense-of-the-Senate resolution which says we really do not want to do that at all.

Now, within the Chamber we know precisely what is going on for the people watching C-SPAN 2. It is pretty hard to figure out. It is difficult for those watching to understand that this kind of a sense-of-the-Senate resolution is going to be used by Senators on the other side to put us on the spot. If we are going to pick a vote out of context here and there and make a representation which is factually untrue but virtually difficult to answer unless you buy a dozen 30-seconds spots and then hope you get the same people.

The American people ought to be aware of what is going on here on this transparency which is set to obscure the controversy.

Mr. President, on the last vote, there were those from the other side of the aisle who took the floor and said that Republicans were trying to undermine and defeat the President's program. That really is not so. I have said both publicly and privately that I want to support the President where I can, but I am not going to give him a blank check.

I think the Btu tax on energy is wrong. I think raising the tax on Social Security recipients, the lower levels, perhaps on any, is wrong. It is the duty of all Senators, elected as I have been by a State of 12 million people, to express our views and to try to improve this package. We have constructive ideas to offer. I have been on this floor for most of the past week since this resolution came up last Thursday and could not find any time, Senator Domenici asked me to take on a certain area of argument which I have prepared. I came over to the floor on Friday afternoon to get a few minutes on some other resolution. I came back on Monday and the Senate floor was filled. All day yesterday, the Senate floor was occupied.

I came at 9 o'clock this morning to try to find some time to talk about four resolutions which this Senator has proposed, which I consider to be very important amendments to the budget resolution. We are at a very critical time in our Nation's history, Mr. President. It seems like every time is critical, but there is no doubt about it now, with a new President elected and with control of the same party by a majority in the House and Senate. This budget resolution is our opportunity to make suggestions and to offer amendments if we can get somebody to listen to them.

Mr. President, the Senate is not in order today, why have the conversations cease, please?

The PRESIDING OFFICER. The Senate will be in order.
Mr. SPECTER. I thank Senator DOMENICI again for yielding me some time so I can speak a few moments on the amendments I am offering. I will not get to debate because the time will all be used up under the Senate budget rules. It is not enough to be around here for 12 years to find 10 minutes to speak on the budget resolution and the bill which Senator LOTT, Senator McCLELLAN, Senator BOND, and myself, are offering, which would provide comprehensive health care reform.

One of my amendments, Mr. President, says that there ought to be a unified package containing offsets for any additional expenditures through cuts and programs or increased taxes. What we did earlier this month on extending unemployment benefits was without paying for it, I submit, was wrong. I voted for it because I think you have to extend unemployment benefits when you have so many Americans who are unemployed, 9 million or more Americans. We should have extended unemployment benefits but we should have paid for them. We ought not to amend the budget resolution which does not contain offsets for any new programs. It ought to be a unified package. I submit that issue is worth more than 2 hours, but it ought to have at least more than 5 minutes.

The second amendment which I have on the list is to target passage of health care reform legislation for no later than September 30 of this year. Mr. President, the Congress should have legislated on health care a long time ago. This Senator brought an amendment on health care to the floor last July on the energy bill. I was told that it was the wrong place for the amendment. I agreed and said I would withdraw the amendment if the schedule were set so that there would be a date certain to consider health care reform. I was told that the issue was too complicated. Then I reminded the schedulers that a date certain had been set for consideration of the product liability reform bill. But I could not get it done. We should have legislated last year.

On January 21, the first day we were in business for legislative matters, I took the floor, complimented President Clinton on his speech on inauguration day, and said that I wished he had directed his attention to something more specific on an economic recovery program and on health care legislation.

There have already been statements which have been made by our leaders which raise a question. Congressman Rostenkowski, the distinguished chairman of the Ways and Means Committee, has said publicly that he doubts we will have health care legislation this year. The distinguished majority leader has just come to the floor, Senator MITCHELL, who appeared on "Face the Nation" 3 weeks ago, and said that he thought we could have health care legislation finished perhaps this summer. But he said at that time that these issues have been around, as I recollect, for 6 to 8 years. I submit, Mr. President, we are ready to legislate today, and the bill which this Senator introduced on January 21, Senate bill 18, is a critical bill which would provide comprehensive health care reform.

Yesterday, I introduced an amalgam bill containing parts of legislation submitted by Senator COHEN, Senator KASICH, Senator HARKIN, Senator CHAFFEE, and myself. I am working with Senator CHAFFEE's task force, where we hope to have legislation produced to offer on the floor of the Senate before we have the recess next month. I have no illusions about its success in terms of a party line vote.

I think the American people ought to know that we do not have to wait to legislate on health care reform. We have debated these issues again and again and again. It is past time that we ought to have full deductibility for the self-employed on their health care premiums. It is past time that we ought to have limited deductibility for the employers to provide for groups to be insured. It is past time for primary and preventive care for low-birthweight babies, and it is past time to put in managed health care. It is past time to deal with the problem of the uninsured.

That is why I propose to press this amendment that we ought to act on health care as a priority matter, no later than September 30 of this year.

A third amendment which I have pending, Mr. President, deals with the allocation of $12 billion of Federal funding on the drug program. Right now $8 billion is allocated for the so-called supply side—that is, law enforcement, international interdiction—and $4 billion on education and rehabilitation. I have studied this issue for a long time, since my days as district attorney in Philadelphia, and am convinced that the long-range answer is really going to come in education and to some extent in rehabilitation. I think of my own two young sons who do not smoke because of the education which they received about health care. I believe that this body ought to debate how we are going to allocate $12 billion and not take by rote an allocation of 8 and 4 but ought to make it at least 6 and 6.

My 10 minutes is close to expiring, Mr. President. I will move on to my fourth amendment. I am describing these amendments in much too abbreviated a fashion because they are important matters. But I have reintroduced legislation.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. SPECTER. I ask if my colleague from New Mexico will grant me 1 additional minute.

Mr. DOMENICI. I am pleased to.

The PRESIDING OFFICER. Eleven minutes, forty-five seconds.

Mr. DOMENICI. I want to yield, whenever he gets to the floor, time to Senator LOTT. Then we will see if there are any other Republicans. If not, I will wrap it up and perhaps yield back some time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished Senator from New Mexico.

Mr. President, I have introduced significant legislation to deal with career criminals. The Federal bill was passed in 1984 and amended in 1986 and has become, so say the law enforcement officials, one of the most effective tools against drug sellers and violent crime by taking career criminals, those convicted of three or more serious offenses who were found in possession of a firearm, and giving them a mandatory sentence of 15 years to life.

We have in most of the States, more than 40 States, habitual-offender statutes, which are now not fully used, unless courts could sentence habitual offenders to life in prison.

I believe that we need realistic rehabilitation, Mr. President, for first offenders, juveniles, some second offenders. It is no surprise when somebody leaves jail without a trade or skill, to go back to a life of crime. For habitual offenders, we need life sentences, and the Federal Government ought to provide the funding, even for career criminals sentenced under these laws.

I know my time is up. I thank the Chair and my colleague, the Senator from New Mexico.

I yield the floor.

Mr. LOTT. Mr. President, let me remind my colleagues again that what we are talking about here is a Social Security tax increase on retirees with benefits down as low as $25,000 for an individual, and $32,000 for a couple.

We had an opportunity on the previous amendment to stop that from happening. Forty-seven Senators voted against a Social Security tax increase on retirees down to middle-income levels.

The sense-of-the-Senate resolution pending before us, we wish that the Finance Committee would look for other sources of revenue to take care of coming up with money which will be spent. Well, I have a novel idea. What we ought to be doing is not looking for more revenues to pay for this elimination of Social Security tax increase. We ought to be cutting new spending that is in the President's budget proposal.

But this is a sense-of-the-Senate resolution. This amendment really does not accomplish anything. It is a wish. We wish, Senate Finance Committee, that you would find some other source of revenue. But, if you cannot, we want you to consider maybe raising the threshold up to $32,000.

Well, whoopee. What about the retirees living on Social Security at $32,000;
March 24, 1993

CONGRESSIONAL RECORD—SENATE

Mr. LAUTENBERG. Mr. President, I have listened with some amusement to the descriptions of the amendment I offered with my distinguished colleague from Alaska. We have had various descriptions, and they use the terms hocus pocus, figleaves, transparencies, double transparencies. This sounds like a session on how to make film, Mr. President.

What we ought to do is speak truth in this place for a change. We listen to the cries of opponents on the other side, who are so upset by the fact that we want to try to deal with this deficit in a realistic fashion and reinvigorate the economy so that we can get people back to work and get ourselves back on track, instead of using all this time to talk about politics and 30-second commercials and the lot.

The Senator from Mississippi will forgive me for the reference, to the "lot." I do not mean Senator LOTT. I mean another lot.

The fact of the matter is that the very Senators who spoke against this resolution had no problem voting for elimination of grazing fees or inland waterway fees. Yes, they wanted to get the money back from taking it from those people who are using public lands to their advantage, making a profit, lots of money in some cases. That was OK.

But what about the senior citizen who has a modest income? Mr. President, many of these senior citizens have worked all their life, tried their best, saved their money, faced catastrophic illness, maybe ended up in long-term nursing home care. And this amendment is trying to help those people.

Mr. President, if it were up to me, I would prefer that we not tax Social Security recipients. I don't see that we really do not want to do this, but the devil made us do it.

Seventy percent of the American people do not want us to raise taxes on Social Security beneficiaries down into the middle-income areas. So why in the world are we doing it?

Mr. President, I think when you look at this amendment, what we really have before us, what is being offered, is just an effort to say the previous vote did not really count, and we hope the Finance Committee will find another way to raise this revenue. But the instructions from the Budget Committee, and the proposal of the President clearly say: tax Social Security recipients. This amendment is not going to prevent that from happening.

So I urge my colleagues once again, let us not take this big bite out of the Social Security tax recipient's income. You are probably going to still see 70 percent or more of it come from recipients that make $50,000 and $100,000. Yet, we are being told we do not want to attack the middle-income people. That is not what is happening with this proposal. I urge my colleagues to vote against this sense-of-the-Senate resolution, because it is hollow, and because you were taught to vote for it, to have a tax increase on Social Security recipients beginning at $32,000 for an individual, and $40,000 for a couple.

Mr. President, I yield the floor at this time. I notice the Senator from New Mexico is not here. Does the Senator from New Mexico have additional time he is going to use?

Mr. LAUTENBERG. Mr. President, how much time do we have, Mr. President?

The PRESIDING OFFICER. Eleven minutes, thirteen seconds.

Mr. LAUTENBERG. Well, we will be using some of that time.

Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Six minutes.

Mr. LAUTENBERG. How much time yields the floor?

Mr. LAUTENBERG. Mr. President, I yield myself as much time as I take, up to the remaining time for our side.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Implicit in their argument is an assumption that the tax law is perfect as it presently exists. There are no more loopholes to close. And so, they suggest we make an effort to try to help modest income, moderate income Social Security recipients. I don't see it that way.

Mr. President, I also want to correct something that was said earlier suggesting that this budget resolution will force the Finance Committee to adopt specific policies. That is simply not correct. A budget resolution can make suggestions and establish parameters. But it is up to the Finance Committee to do what they think is best. We have good management there. We have good leadership. And we trust that they will develop the best legislation that they can.

Mr. President, I hope that we will support this amendment, because what it says, very simply, to the Finance Committee, and to our colleagues here is: rather than going first to increase taxes on Social Security recipients with moderate incomes, people who have saved all their lives for these days and who face the risk of long-term illness or catastrophic sickness, we ask them to make every effort to find alternative sources of revenue.

It is shocking that those who would vote to eliminate the tax for the highest income Social Security recipients would object to our trying to protect the more moderate income recipients. I yield such time as my friend from Nebraska wants.

Mr. EXON. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Five and one-half minutes.

Mr. EXON. We reserve the remainder of our time.

The PRESIDING OFFICER. Who yields the floor?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time do we have on our side?

The PRESIDING OFFICER. Six minutes.

Mr. DOMENICI. Mr. President, I probably will yield time back. I am going to have some Senators who want to speak. I am trying to get them here. I do not want to yield my time in advance.

I yield the floor.

The PRESIDING OFFICER. If neither side is yielding time, time will be charged equally.

Mr. EXON. I believe the Senator from Nebraska is yielded 5 minutes of the remaining time.

Mr. LAUTENBERG. All the remaining time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. EXON. I yield myself 4 minutes of that time. Please advise me if I go over that amount.

Mr. President, let me try to put this back in perspective after what I have
been listening to in the opposition from the other side. As far as this Senator is concerned, there is not anything very transparent about this amendment. This amendment simply says that we recognize and realize that every American who has to make some sacrifices if we are going to do anything about the skyrocketing debt of the United States that in the last 12 years, I would remind all, has gone from $100 billion to now over $4 trillion and going up certainly to at least $4.3 or $4.4 trillion in the next few weeks and is going to go on up from there, without any question, to over $5 trillion. The fact that we are paying about $300 billion a year interest on that is something that we must not lose track of.

What this amendment really says and does—and it is not transparent—is to say to the Finance Committee that they have been called upon to do a very, very difficult task to raise about $300 billion, that if it is necessary to place some taxes on Social Security recipients do not tax the Social Security receipts of middle-income Americans. Everybody can argue about what a middle-income American is. I think most of us would agree that people who are making between $30,000 and $40,000 annual income probably define middle America as best we could.

I simply say and will point out that the basic thrust of this amendment is to tell the Finance Committee that if taxes on Social Security recipients are going to have to be raised do not do anything with the very low people, low-income people, and do not tax further the Social Security receipts of couples unless they make over $40,000.

It would be nice to stand up on the floor, and it is good politics, Mr. President, to say do not tax Social Security. The facts of the matter are I think especially higher income Social Security recipients would be the only ones that would receive additional taxes if this amendment is accepted and lived up to in the Finance Committee, it will be. We are only asking additional tax receipts from the higher income people who are also draining Social Security.

I think most of the higher income people drawing Social Security would recognize that this is a sacrifice they have to make. I think all Americans had better get over this thing that we cannot solve the horrible fiscal problems of the United States of America simply by talk and simply by political posturing. The facts of the matter are, if we are going to begin to solve this problem of the deficit it is going to be the Governor of the United States of America, we are going to have to have some sacrifices. I believe that higher income people, higher income couples, with incomes over $100,000 should pay 10% additional taxes that they will have to pay under this proposal.

If I am to be besieged with political rhetoric that I am not interested in the Social Security recipients and it is unfair for even high income people —

The PRESIDING OFFICER. The time yielded the Senator has expired.

Mr. SASSER. Mr. President, I understand myself additional time I have remaining.

I would simply say, Mr. President, that this proposal is fair. I would hope that we would endorse it.

I yield the remainder of my time to the Senator from Tennessee.

Mr. SASSER. Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty- three seconds.

Mr. SASSER. Mr. President, I commend the distinguished Senator from New Jersey [Mr. LAUTENBERG] and our able colleague from Nebraska [Mr. EXON] for bringing this amendment before the Senate today.

What these Senators are saying is that they want to do something about this deficit. They want to reduce this deficit. They have the courage to put their votes where their convictions are.

But they are also saying that they want to try to redirect the Finance Committee, if at all possible, to raise the level for taxation to a certain extent.

I commend them for their efforts here today.

The PRESIDING OFFICER (Ms. Moseley-Braun). The Senator’s time has expired.

Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Madam President, I suggest the absence of a quorum and ask unanimous consent that the time be charged to the time of the Senator from New Mexico on the amendment.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. How much time does the Senator have remaining?

The PRESIDING OFFICER. Two minutes and twenty-six seconds.

Mr. DOMENICI. Does Senator Bond desire to be recognized?

Mr. BOND. I do.

Mr. DOMENICI. I yield 1 minute to the Senator.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Madam President, I thank my distinguished colleague from New Mexico.

As I look at this amendment, this might be a nice thing for us to do to get on record as saying maybe we should not increase the Social Security taxes, but it seems to me that we just had an opportunity to vote on it for those who really do not believe we should be taxing Social Security benefits or increasing the tax on people with moderate income paying Social Security.

I just ask my distinguished Republican ranking member, Is there any reason why we should not vote for it? We have the vote that really counts. But what does this sense-of-the-Senate resolution do?

Mr. DOMENICI. Madam President, I yield myself the remainder of time.

The Senator raises a good question. Frankly, it seems to me that the amendment really is just an intention and a wish. I hope things do not turn out as the President has suggested.

In that context, if a Senator on either side wants to vote for it, knowing that really does not do anything, the full dollars are still in, all the dollars that are going to be needed on the tax side still are included in the assumption, that $32 billion of it is going to come from Social Security.

So I think any Senator can look at it however they want. If they do not want a risk that this will be something used against them, even though it is meaningless, then perhaps they would like to vote yay and support it.

From my standpoint, I am not going to do that as a Senator on this floor, just because I feel very strongly that we have already had the right vote. I do not want to water down the right vote, nor do I want anybody else to water down the right vote, whether they voted yes or no on the previous vote.

Mr. GREGG. Will the Senator from New Mexico yield?

Mr. DOMENICI. Yes.

Mr. GREGG. I just had a question.

If we were to actually believe this entire wish list that has been put forth over the last few days—I think this must be the fourth or fifth wish amendment that we have had—would there be anything left of the Clinton budget?

Mr. DOMENICI. Well, frankly, before we wrap up the day, I am going to see how many wishes we had and then I am going to see what is left that is constitutional.

Because it seems to me, every time something is seriously controversial in the President’s plan, we have somebody with a sense-of-the-Senate saying, “We wish it would not happen,” kind of delivering the message to people that they are going to see to it that it is not. We did that on grazing fees yesterday.

Mr. DOLE. Mr. President, this sense of the Senate tonight is holding on the Senate Finance Committee. The real vote on Social Security taxes was the one we just cast on the Lott-Mack amendment. The Democrats tabled the real Social Security amendment with 52 votes.

Even if the Finance Committee were to raise the threshold to the levels sug-
gested by this amendment, we would still be going back on the deal we cut with America's seniors 10 years ago.

Ten years later, President Clinton is asking America's seniors to contribute $32 billion in higher taxes—only this time, the money is not going to strengthen the Social Security system. This amendment tries to deal with the Social Security tax issue by wishing that it will go away. It might persuade the Finance Committee to reduce the amount of the tax increase somewhat. But, the point is that this time around, the money from these higher taxes is being used to finance other spending programs.

I will vote against the Lautenberg amendment.

Mr. ROTH. Mr. President, I plan to vote against this sense-of-the-Senate amendment to the budget resolution. Just 1 hour ago, the Senate voted on an amendment to remove the increase in taxes on Social Security benefits. I voted for that amendment—to reduce the tax increase. Unfortunately, the amendment was defeated. That amendment had real teeth—much more so than the sense-of-the-Senate amendment before us now. This amendment says the Finance Committee should find alternative taxes to the Social Security tax proposed by the President. If my colleagues were opposed to increasing the tax on Social Security benefits, they should have voted for the previous amendment. The current amendment says is that we should find other taxes. Let me be clear—I am against the President's tax increases. We should first focus on spending cuts. I hope this proposed plan reduces the deficit through reducing Government spending. That should be our focus, Mr. President, instead of looking for more and more taxes to raise.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from New Jersey [Mr. LUTENBERG].

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 Hawaii [Mr. INOUYE] is necessarily absent.

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

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

[Rolcall Vote No. 58 Leg.]

YEAS—67

Akkia
Boren
Brown
Baucus
Brower
Bryan
Biden
Bradley
Bumpers
Bingaman
Breaux
Byrd
Campbell
Johnson
Cohens
Kasbum
Conned
Kenedy
Couch
Kerry
DeCousiol
De keer
Dee coud
Dodd
Kohi
Durran
Kreuger
Elko
Lauberg
Lautenberg
Leasing
Feinstein
Levis
Ford
Liebermar
Graham
Lugus
Gray
Mathews
Green
Metzbaum
Washington
Gregg
Barbar
Harfield
Levis
Helling
Leverett
Hollings
Moseley-Brown
Monahan
MAYS—32

Bennett
Durenberger
McCormick
Bond
Faircloth
Mikvouki
Burns
Gerrn
Nicks
Coats
Gramm
Robb
Cochran
Grassley
Rotl
Cowdrell
Hatch
Smol
Craig
Helma
Smith
D'Amaro
Kempthorne
Stevens
Dannforth
Lott
Thurmond
Dole
Mack
Wallop
Domencic
Mcain
NOT VOTING—1

Inouye

So the amendment (No. 242) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas [Mr. GRAMM] is to be recognized.

AMENDMENT NO. 249

(Purpose: To strike the individual income tax increase, the energy tax increase, and the Social Security benefits tax increase."

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

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. LOTJ, Mr. McCAIN, Mr. HATCH, and Mr. MACK, proposes an amendment numbered 249.

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

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

The amendment is as follows:

On page 41, line 17, decrease the amount by $31,300,000,000.

On page 41, line 18, decrease the amount by $31,300,000,000.

On page 41, line 20, decrease the amount by $25,000,000,000.

On page 41, line 22, decrease the amount by $25,000,000,000.

On page 42, line 6, decrease the amount by $38,000,000,000.

On page 42, line 7, decrease the amount by $38,000,000,000.

On page 42, line 13, decrease the amount by $51,000,000,000.

On page 42, line 14, decrease the amount by $51,000,000,000.

On page 41, line 9, decrease the amount by $52,000,000,000.

On page 52, line 21, decrease the amount by $32,000,000,000.

On page 41, line 10, increase the amount by $36,000,000,000.

On page 41, line 11, increase the amount by $35,000,000,000.

On page 41, line 12, increase the amount by $278,000,000.

On page 38, line 11, decrease the amount by $50,000,000.

On page 38, line 12, decrease the amount by $50,000,000.

On page 38, line 18, increase the amount by $86,000,000.

On page 38, line 19, increase the amount by $86,000,000.

On page 38, line 25, increase the amount by $333,000,000.

On page 39, line 1, increase the amount by $333,000,000.

On page 39, line 7, increase the amount by $278,000,000.

On page 39, line 8, increase the amount by $278,000,000.

On page 39, line 14, decrease the amount by $73,000,000.

On page 38, line 15, decrease the amount by $73,000,000.

On page 2, line 18, decrease the amount by $30,000,000.

On page 2, line 19, decrease the amount by $31,020,000,000.

On page 3, line 2, decrease the amount by $4,030,000,000.

On page 3, line 4, decrease the amount by $50,545,000,000.

On page 3, line 6, decrease the amount by $54,440,000,000.

On page 3, line 10, decrease the amount by $52,585,000,000.

On page 3, line 12, decrease the amount by $10,420,000,000.

On page 3, line 13, decrease the amount by $50,545,000,000.

On page 3, line 14, decrease the amount by $54,440,000,000.

On page 5, line 1, decrease the amount by $31,300,000,000.

On page 5, line 2, decrease the amount by $38,000,000,000.

On page 5, line 3, decrease the amount by $38,000,000,000.

On page 5, line 4, decrease the amount by $51,000,000,000.

On page 5, line 5, decrease the amount by $52,000,000,000.

On page 5, line 11, decrease the amount by $51,000,000,000.

On page 5, line 12, decrease the amount by $25,000,000,000.

On page 5, line 13, decrease the amount by $38,000,000,000.

On page 5, line 14, decrease the amount by $38,000,000,000.

On page 5, line 15, decrease the amount by $38,000,000,000.

On page 6, line 1, decrease the amount by $51,000,000,000.

On page 6, line 1, decrease the amount by $51,000,000,000.
Mr. GRAMM. Madam President, I have sent an amendment to the desk that I think is a very easy to understand amendment. I want to try to describe it as simply as I can, and then I want to go through and talk about why it is so very important to the future of America.

First of all, the amendment that I have sent to the desk attempts to address the two sides of the budget equation. It first tries to deal with the massive growth in Government spending that is embodied in the Clinton budget by freezing discretionary spending, by shearing off the add-on spending in new programs and by deleting the increase in spending proposed in the Clinton budget for old programs. It then takes the savings that are achieved by freezing discretionary spending, and by shearing off add-on spending, it takes those savings and uses them to eliminate the new individual income taxes, eliminate the Btu energy tax and eliminate the Social Security tax. In fact, Madam President, you could call this amendment the deficit neutral detoxification amendment.

I have put up here in very simple terms—in fact one of my trusty aides put this together. What he tried to do was to set this out graphically by taking the three parts of the budget and putting them on this chart in their relative size: Taxes, spending and then what we believe the Madam President who is my sure our dear Presiding Officer cannot see, but that is cuts.

Now, let me explain the problem. Let me just look at 5 years of the Clinton plan and what it does.

If you take the taxes that are already built into our economy, if you take the $285 billion of new taxes and you look over a 5-year period, which is what this budget covers, over this 5-year period, revenues are going to rise by $1.332 trillion. In fact, over this 5-year period the average working American is going to pay $12,109 more than that same average American working American is paying today. For their country is one of spending cuts. In fact, while we claim a $7 billion cut over 5 years out of $136 billion of net new spending that the President is projecting.

Now, let me talk about these taxes. Last night and this morning when we talked about Social Security taxes, we talked about the unfairness. We talked about people who have saved all their lives to build up a nest egg to retire. Their income on their W-2 form is $18,000 a year, and the President is going to come along and tax their Social Security benefits, tax 85 percent of those benefits, taking away the benefits from a lifetime of work. We talked about how unfair it was. Senator Lott and I and others tried to take it out. Unfortunately, that failed.

But, Madam President, I do not want to talk about fairness here. I want to talk about the economy.

There is a big problem with taxing Social Security that goes beyond being unfair. The people who are being taxed by this budget proposal worked all
March 24, 1993

CONGRESSIONAL RECORD—SENATE 6151

Mr. SASSER. Madam President, I see the distinguished Senator from Maryland on the floor. I would be pleased to yield to him such time as he might desire.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I thank the distinguished chairman of the committee for yielding me time.

Madam President, this is an interesting amendment. It does deserve some careful consideration. It does reflect some very important differences.

Essentially what the Senator from Texas is doing is he is eliminating the investment dimension of the President's proposal. He in effect would freeze all spending. Of course, the President has been very up front about this issue. The President has said he is trying to accomplish two things. He is trying to accomplish deficit reduction and also accomplish an investment program in the future strength of the American economy. In order to achieve those objectives he seeks to find the resources from two sources: Cuts in other spending programs in the budget, and additional revenues.

The President has been very clear about that. I commend him for it. His strategy is to reduce the deficit, which he recognizes in an important national objective, and provide additional investment in the future strength of the American economy.

Then you say how are you going to do this? The President says that we are going to find the pool of money that is necessary to do this in two ways: We are going to cut other spending which will provide additional moneys, and we are going to raise some revenues.

What the Senator from Texas has said is I do not want to raise revenues, and I do not want to do investments. It is essential.

First of all, do we need these investments? Is there a problem in investing in America's future and in its strength in the years to come and enhancing our ability to compete internationally?

This is a chart that shows real net investment as a percent of real national product. As you can see, net investment fluctuated up and down throughout the sixties and seventies. It came down during the early seventies, then back up again, down low in the early eighties, back up again. But over the last 7 or 8 years we have had a steady decline in our real net investment.

If you do not invest in the future, the economic health of the Nation will suffer. I think most people recognize this, and they make investments for the future strength of their economy. In fact, in the business community their debt premised on the proposition that the future growth of their business will sustain it.

I want to show how our current investment compares with what is being done in other countries because someone may say that investment has been declining in the United States as a percent of national product on a historical basis, but we are still doing better than other countries. This chart shows fixed investment as a share of GDP in the 10 largest economies: Japan, Spain, Australia, Germany, Netherlands, France, Italy, Canada, and the United Kingdom, all spend more on fixed investment than the United States.

President Clinton recognizes this. President Clinton is saying we have to do better on the investment front. We have to have an investment strategy.

This is a chart that shows real net investment strategy for the future

60 percent of the income taxes paid by the highest income tax filers are paid not by individuals but by proprietorships, by partnerships and by subchapter S corporations.

So the President talks about taxing the rich. John Q. Astor that is being taxed. It is Dicky Flatt & Sons Stationery Shop in Mexia, TX. They are the people who are being taxed. Their retained earnings are being taxed away. Their ability to create jobs, to make America prosperous is being taxed away.

So, Madam President, what this amendment does is very simple. It freezes discretionary spending; it shears off the President's new spending; and it takes that money and uses it to offset the elimination of the individual income tax rate increase, the energy tax, and the Social Security tax. It is to maintain the total deficit reduction number in the President's budget.

The net result is that if this amendment is adopted, Government spending between lower rates or higher deductions for their children.

I remember vividly in the State of the Union Address the President said this energy tax is a throwaway tax, and people like Dr. Schlesinger, who was Secretary under President Carter, have said that the President did not tell us was he only talking about half the cost, because his budget says that the cost is $120 a year directly in higher gasoline prices and higher utility bills. But it also says that the average American will see everything they buy from groceries to airline tickets go up another $200. So the President's actual projected cost for the average American family on the energy tax is not the $120 we heard in the State of the Union Address, it is $320.

Now, outside groups have started to look at this Btu tax, and people like Dr. Schlesinger, who was Energy Secretary under President Carter; have said that this tax is probably about $500 a year on every working family. These are the same middle-income Americans who President Clinton said under his program they could choose between lower rates or higher deductions for their children.

Madam President, where is their choice? Where do they get to make that choice? They got to make that choice only when they voted. Now that they have voted, all of a sudden we are talking about raising their taxes—one of the great electoral betrayals that I have personally witnessed.

Madam President, the second thing we do in this proposal is we take out the Btu taxes.

Finally, let me talk about income taxes. If you listened to the debate about income taxes, you got the idea that we are taxing all these rich people, that only rich people are paying these taxes.

Madam President, what is missing in all this is that 1.4 million small businesses file as subchapter S corporations under the IRS Code as individuals. In fact, every estimate that I have seen indicates that at a minimum
strength of the country. There are a number of provisions in this proposal and in the stimulus package which encourage private and public sector investment.

Some people contend that public sector investment does not serve a purpose. But this is incorrect. Where does money come from? As a trucking executive said to me: If my truck sits in a traffic jam for 4 hours, that comes right out of the efficiency of my operation. My productivity is being undermined by an inadequate transportation network.

The Germans are investing in apprenticeship programs, at about five times the level we do in the United States. They are investing in the education and training of their work force.

This chart compares funding on non-defense research and development, beginning in 1971, in the United States, Japan, and Germany. In the early seventies we were fairly close to German and Japanese levels, though we were still lower. Since then, West Germany and Japan increased their investment significantly, while the United States did not. So we have a large gap now in nondefense research and development.

My own view is that in part helps to explain the trade deficit. Other countries are investing in their future. They are on the cutting edge of modern technology in their research and development. Then they beat us on the trade front, because they are able to create products that are very competitive in the international arena.

Finally, I just want to show the relationship between productivity growth and public investment. This chart shows that countries with high levels of public investment also have high levels of productivity growth. Japan which has significant levels of public investment, also has significant levels of productivity growth.

Mr. SASSER. When the Senator says public investment, what does the Senator mean?

Mr. URBANES. I am essentially talking about infrastructure. This is physical capital, not human capital, not education, which is another important criterion. If I had a chart on that, again we would have problems comparing with other countries. But this is physical capital. The United States is far behind on public investment and low on productivity growth.

Mr. President, if anyone stops and thinks about it, most people would realize that we need to make investments for the future strength of the country. People do that. They save money to send their children to college and get an education.

Businesses invest in the future, and the government needs to invest on behalf of our country. They need to encourage private investment, and they need to make directly the public investment that is essential to the efficient functioning of our economy.

Other countries are making these investments. If you look at the investment strategies that prevail in the European Community, or in the Pacific rim countries, the comparison with the United States is dramatic. They are not bound up by rigid ideologies. They recognize that you are making investments about the future strength of their economies. The Europeans now have laid out a major investment strategy for international rail. They are going to have a rail system that is going to be the marvel of the world. And we are still trying to see if we can get ours up to a passable level in the great urban corridors of the country where urban rail makes enormous sense.

What is the consequence of these other countries having investment strategies? The consequence is that we start running large trade deficits with them. We ran trade deficits beginning in the mid-80's. We have continued to do so. It improved a little last year because we received payments from other countries for the Persian Gulf operation. We got paid for the use of our military forces, and that temporarily brought the current account deficit up in the balance. It is now on its way back down again.

In the real competition of the last decade of the 20th century and into the 21st century which, in my judgment, is on the economic and trade front, we are in a negative position. The consequence of running these trade deficits is that our position as a creditor nation is deteriorating. We are now a debtor nation. The United States has been a creditor nation ever since World War I. All through the 1920's, the 1930's, and obviously through the war and the post-World War II period, we sustained a creditor position. Then we began running these large trade deficits, and our position deteriorated, and we moved into a debtor status, and that is where we now find ourselves.

So I believe the President is right. We need an investment strategy, both in human capital and in physical capital, both in the public sector and in the private sector. We need to address the health of our people. We need to address the education and training of our people. We need to address research and development. We need to address infrastructure. We need to address investment in modern plant and equipment. We need to encourage all of the things that prevail in productive, and more competitive. These investments are essential to put us on a higher, high-wage path for the future.

At the same time, we need to bring down the very large deficit that has been incurred, essentially, over the last 12 years. President Carter was excoriated because he had a deficit of $50 billion. I can remember that: $50 billion. Everyone was up in arms, and President Carter was trying to address that problem. Then during the Reagan and Bush Administrations, the deficit, and those large deficits have been handed to President Clinton. It is not as though he showed up and there was no deficit and he is going to run a deficit. Perot said as much and Clinton said as much. The President is offering a deficit reduction program, and President Clinton is trying to figure out how to get the trend line on the deficit down, so we can start addressing our economic problems.

Some people ask: why do you not just get rid of the deficit all at once? Let us just do it next year. Of course, if you were to do that, you would put such contractionary pressure on the economy, you would precipitate it into a downturn.

Mr. SASSER. When the President laid out his economic plan, in terms of what he was trying to do the first and second year of the plan, he recognized that he had to worry about the growth path of the economy. Of course, we are not in a position to get the economy growing enough that when you attack deficit reduction to it, it will not precipitate the economy into an economic recession.

That is the argument against the investment strategy. The necessity to make these investments, coupled with a necessity to bring down the deficit. The President has put forward, by the judgment of objective observers, the most credible deficit reduction program that has been offered in the last decade. We get people on Wall Street and on Main Street who may not agree with all parts of it, but they are prepared to concede that the President is offering a credible deficit reduction program. He has coupled deficit reduction with an investment strategy. Now he seeks to find the resources for it out of spending cuts, which are very substantial in this budget, and I think the President is right.

My colleagues on the other side now want to eliminate all of the revenue increases. Essentially, they will eliminate the revenue increases, and they will eliminate the investment strategy because, as I understand it, their proposal keeps the deficit reduction part of the proposal. They accept the deficit reduction proposal, but take out the investment strategy, and the revenue increases.

Let us see what it is they are concerned about on the revenue increase front, and I would like to ask the chairman of the committee a question on this particular point.

Will the chairman tell me what percent of the money on the revenue side in the President's proposal would come from high income individuals?

Mr. SASSER. The top 1.2 percent pays 64 percent of the revenue. The top 1.2 percent pays 64 percent. With regard to the top 5 percent, the figure would be considerably larger, and I do not have that at my fingertips right now.
March 24, 1993

This indicates that 64.2 percent of the President's revenue will come from those making $200,000 or more. Bear in mind that $200,000 figure is not gross income. That is $200,000 after all deductions and exemptions have been taken.

The next 8.7 percent will come from those making between $100,000 and $200,000. So, if you add those figures together, 75 percent of them is coming from those in the upper income brackets and almost 65 percent of the revenues are coming from those who make over $200,000 a year.

Mr. SASSER. Madam President, now we are getting to the heart of this issue.

Mr. SASSER. Yes, we are. Mr. SASSER. Yes, we are. Now we are getting to the heart of the issue.

The President says: "I want to have an investment strategy to build America for tomorrow. We want to invest in our children. We want to invest in our working people. We want to give business incentives to build new plant and equipment. We want to upgrade our infrastructure. We want to increase funding for research and development. And we want to bring the deficit down. We are going to try to accomplish all of these imperative objectives."

You say to the President, "How are you going to do that?"

The President says: "We are going to do spending cuts, substantial spending cuts, and we are going to raise some revenues."

Mr. SASSER. Madam President, if the President will yield for just one moment, I might demonstrate to my colleague from Maryland that in 1979 the effective tax rate on the top 1 percent in income in the country was 33.7 percent. Under present law that was instituted during the Reagan-Bush administrations that 33.7 percent effective tax rate on the top 1 percent was cut to 27.9 percent.

What President Clinton seeks to do to finance this investment program is to raise on the top 1 percent the effective tax rate to 33.1 percent, still slightly below where it was in 1979, I say to my friend from Maryland.

We have experienced that very much. I think that the chart the chairman has shown is a very important chart and it fits right in with this one.

CONGRESSIONAL RECORD—SENATE 6153

well below what it had been at the bottom of the recession. Today it is above what it had been in the bottom of the recession.

Mr. RIEGLE. Madam President, will the Senator yield for a question on this chart that he laid out?

Mr. SARBANES. Certainly.

Mr. RIEGLE. Would it not be fair to say when you show the change in income distribution, all the money was running up to the top 1 percent of the income scale and people down the income scale were losing a large share of income?

The plan the President put out is not designed as perhaps it should be to go back to this group over this 10-year period of time and say, "Give some of this back." An argument could be made for that.

What he is saying is let us not add to this, let us not keep tipping the balance away from most of the people in society and taking the money up to the top 1 percent of the income scale, especially when that group is not turning and reinvesting that money in our country and in job growth. If that were happening, then there might be some argument, at least on the surface, for why this kind of distribution might be appropriate.

But what the President is saying is that rather than allow this to continue and allow more and more of the wealth of this country to accumulate at the top 1 percent, let us try to level it out just a little bit.

Let us try to let people in the working class, in the bottom 80 and 90 percent of the population by income in the country, have a chance to participate, as well.

I will bet you that if we probably took the campaign contribution lists for people who were advocating this program and we laid the campaign contributions down side-by-side with the people who got all this income, I will bet it is the same list. I will bet it is the same list.

We have to break that. And the way to break it is to stop this business where more and more of our national wealth is accumulating in the top 1 percent and see to it that the rest of the people of this country have a chance to participate and have a chance to get a job.

Senator SARBANES talks about a jobless recovery. It is the most extreme thing we have seen at any point since the end of World War II.

This chart right here reflects that fact. But if you look, as he said, at what has happened since the trough of the recession, if you look at previous recessions, we ought to be up here right now with respect to job recovery after this recession. That is not the case. In the last seven recessions have looked like.

Instead, we are way down here. We have not even gotten the jobs back that we lost in the course of this reces-
sion. We are down here. We ought to be up here.

That is 4 million people right now who do not have jobs in this economy. We have to invest in job growth in America. That is what the President is talking about.

I hear this shopworn set of arguments from the people on the other side of the aisle; we tried your plan for 12 years and it did not work. The American people reached that judgment last November. They sent that crowd out. They brought in a new President, who came in with an economic plan for this country, an economic and jobs growth plan for this country, to start investing in America again; not just have an economic program for Kuwait and Communist China and every other country around the world, but have one for this country.

When you look at public investment in infrastructure and compare it with other countries, this is Japan, spending far more than we are; Italy, France, Canada, Germany, the United Kingdom, and way down at the bottom of the list, the United States. That has been the track we have been on. That is why we are not getting the jobs and therefore, in income in this country because we have not been investing in ourselves.

Now this President comes along. Having been elected by the American people to bring economic change and to bring a new plan, he brings a plan in here. He has in there incentives to create private sector job growth.

And the first thing we see happening is people on the other side want to come along and they want to try to prevent that program from having a chance to go into effect, even though their program did not work. They have just been invited to leave the executive branch of Government because they did not have an economic plan for America.

Now you have a President who has an economic plan for America and who does not like, as I do not like, these unfair income distributions that have accumulated from Reaganomics and supply-side economics over the last dozen years.

You cannot just take all the money in this country and give it to the most wealthy 1 percent and have this country work right. That is why there is so much hopelessness in the inner cities. There are not enough jobs to go around. People do not see a way to get in the economic system, and that is to change. The President has given us a plan to change it, and it ought to be supported.

Mr. SASSER. I thank the Senator from Michigan.

Madam President, I would like to yield some time to the distinguished Senator from North Dakota, but before doing so, I ask unanimous consent that, following the disposition of the pending Gramm amendment, No. 249, any recorded votes ordered relative to the five amendments ordered to follow the disposition of the Gramm amendment be disposed of by the roll call vote on or in relation to the Dole substitute.

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER. The Senator from New Mexico?

Mr. DOMENICI. Madam President, reserving the right to object, and I will not, I want to say to Senators on our side that I think this is an accommodation to Senators so we will not be in and out every 15 minutes, but rather the next 5 amendments will be stacked. They will be debated for 10 minutes each, or whatever the allowed time, and then we will go to the Dole-Domenici, and others, substitute and then we will vote on it and those that have been debated today.

Mr. GRAMM. But this amendment will be voted on when we finish?

Mr. DOMENICI. As I understand it, when the time is up, we will dispose of it.

Mr. SASSER. When all time is gone on the Gramm amendment, it will be disposed of by a vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SASSER. I thank the Chair.

Madam President, I yield 5 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate the time from the Senator from Tennessee.

The Senator from Maryland, I think, has done a very interesting and useful job in beginning to strip away the petals of this flower so that we can debate the real debate. One group wants to keep doing what we have been doing in this country, what we have been doing for 12 years that has not worked. One group wants fundamental economic change in the direction of this country. That is the real debate.

The Senator from Maryland showed us that major new taxes in this country were paid by people who enjoyed massive increases in income in the 1980's. But these people have not paid nearly the amount of tax they ought to pay.

We had a study last year over in the U.S. House that showed that the top 1 percent of Americans have virtually doubled their income but have paid only 50 percent more in taxes. This means they are only paying half as much taxes as they should pay on the increase in income they received.

So we are asking them to pay a little more. They can certainly afford to do that. Let us use that money to invest a little in the future of this country.

All of our friends here keep talking about family. They say you cannot do this with your family checkbook. You cannot overspend your family checkbook. You cannot overspend your business checkbook. That is true.

We would sit down and we would say: "All right, we are spending more than we have. Let us cut some spending."

That is what the President has proposed; and he is raising revenue from those people who have done very well in the last decade.

Then we would say something else. We would say: "Let us see if there are other ways to bring more money in."

That is what the President has proposed; and he is raising revenue from those people who have done very well in the last decade.

Mr. SASSER. But this amendment will be voted on when we finish?

Mr. DOMENICI. As I understand it, when the time is up, we will dispose of it.

Mr. SASSER. When all time is gone on the Gramm amendment, it will be disposed of by a vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SASSER. I thank the Chair.

Madam President, I yield 5 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate the time from the Senator from Tennessee.

The Senator from Maryland, I think, has done a very interesting and useful job in beginning to strip away the petals of this flower so that we can debate the real debate. One group wants to keep doing what we have been doing in this country, what we have been doing for 12 years that has not worked. One group wants fundamental economic change in the direction of this country. That is the real debate.

The Senator from Maryland showed us that major new taxes in this country were paid by people who enjoyed massive increases in income in the 1980's. But these people have not paid nearly the amount of tax they ought to pay.

We had a study last year over in the U.S. House that showed that the top 1 percent of Americans have virtually doubled their income but have paid only 50 percent more in taxes. This means they are only paying half as much taxes as they should pay on the increase in income they received.

So we are asking them to pay a little more. They can certainly afford to do that. Let us use that money to invest a little in the future of this country.

All of our friends here keep talking about family. They say you cannot do
spending has actually decreased as a percent of gross domestic product. And that is fact.

Now, we can debate this on the old terms we have used for 12 years. Supposedly one side is for lower taxes and lower spending and on the other side are some profligate politicians who want to grab more taxes and spend more money. This is not a very fruitful or very useful debate.

A year ago I stood on the floor of the other body, and I looked at the budget of a conservative President. He sent us a budget and said, "Mr. and Mrs. Congress, I would like you—in follow me." He said, "I am a conservative President and I would like to add $2.21 trillion to the debt in the next 5½ years. Won't you please buy into this conservative plan?"

I stood up on the floor of the other body and spoke at some length about that conservative plan.

When it comes to deficit spending, there is not a plug nickel's worth of difference between conservatives and liberals.

The only difference is between those who want to solve the problem and those who want to preach about old dogma.

Do we want to solve this problem? If we do, we must, it seems to me, find additional revenue to ratchet down the deficit. We must find a way to screw up the debt in the next five years.

I say to some of my friends across the aisle: I would, today, this minute, put in place a budget plan that I think is sound and that includes spending that affects all of us.

I say to some of my friends across the aisle: I would, today, this minute, if I had the opportunity, cut out all funds for the super collider; and cut out all funds for SDI. Do you know what that would do? It would save $7 billion next year. Those are pretty good savings. Those are real budget cuts.

It seems to me our challenge at this point is to stop talking past each other and start deciding how do we raise revenue, and we must; how do we cut spending, and we must—in real, honest, and effective ways. And also, as the Senator from Maryland so aptly said, how do we invest in the American family? I am talking about the national family, all of us together, working together for a better future. How do we invest in our common potential? How do we invest in our human potential to give this country a chance to grow again?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SASSER. I am pleased to yield the Senator an additional 1 minute.

Mr. DORGAN. Last year we had the chief economist of the Deutsche Bank's subsidiary in Japan testify before the Congress. He said that in 1997 Japan will become the world's largest manufacturer, and after 2000, the world's largest economy. Why? Because each year Japan invests $440 billion more in new plants and equipment than we do in this economy.

If we do not get our finances straightened out and sorted out and shifted through; if we do not start doing the things necessary to put this country back on track; if we fail to give our kids a shot at a better standard of living; then none of us deserves to be here.

This plan from this President means fundamental economic change for this country. It is time all of us stood for fundamental reform and effected the changes that will put this country back on track.

I thank the Senator from Tennessee for yielding me the time.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the Senator from North Dakota and yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GRAMM. Mr. President, I want to make a couple of quick responses. Our dear colleague showed us what happened from 1979 to 1989. And our colleagues love to talk about 1979 to 1989. Do you know why? Because Jimmy Carter was President every day in 1979, and every day in 1980. In many respects, 1980 was the worst year in American history for the working people of this country, except for the Great Depression years. But you know when you take 1979 to 1981, when Jimmy Carter was President, every income group in America got poorer.

From the day Ronald Reagan's tax cut went into effect, January 1, 1982, to 1989, every income group in America got richer.

There is a fundamental choice here. Our colleagues tell us that Government investment—a new term—do you notice they never talk about taxes and they never talk about spending? They talk about revenues and resources and contributions. And they talk about investments. Let us call it what it is. Spades, and we want to raise taxes to increase spending. What we are trying to do here is take one quarter of the spending increase built in over 5 years in the President's budget, take it out and get rid of these taxes that are going to destroy jobs.

We want to grow investment. But we want investment in the private sector of the economy. If socialism carries the day, I think this plan will work. But it has never carried the day. It has been rejected everywhere in the world except Cuba and North Korea and China and in Washington, DC. I do not believe it will work.

I yield to the distinguished Senator from Mississippi [Mr. LOTT] 4 minutes.

The PRESIDING OFFICER (Mr. DORGAN). The Senator from Mississippi.

Mr. LOTT. Mr. President, I yield the floor to the Senator from Texas for yielding me this time.

Mr. President, our colleagues on the other side of the aisle have been talk-
Our amendment takes that savings and eliminates tax increases. It elimi­
nates capital gains taxes on individu­
als. We do not need them if we control spending. It also eliminates the new
energy tax, a regressive tax that hits rural and agricultural areas and poor
States—all Americans. Let us elimi­
nate the Social Security taxes; 47 Sen­
ators have already voted for that. Sev­
ety percent of the American people
say we should not be raising taxes on
Social Security recipients.

So, by eliminating the spending we could eliminate all of those taxes. And
our amendment would also provide an incentive for savings and investment
by enacting the Roth IRA plan. This amendment would strike the spending,
it would eliminate the taxes and it would have a savings incentive by a
significant improvement in IRA's.

But this is just a starting point. I would still like to eliminate all tax in­
creases. The problem is not too much revenue. The problem is too much
spending. This year, we are going to spend $1.5 trillion. Let us control it.
Let us agree to the amendment of the
Senator from Texas.

Mr. GRAMM. Mr. President, I yield to Senator DOMENICI from New Mexico
4 minutes.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI]
is recognized for 4 minutes.

Mr. DOMENICI. Mr. President, I won­
der if my friend will modify that? I
would like to give 2 minutes of that to
Senator STEVENS, and I will just take 2
minutes. Is that satisfactory?

Mr. GRAMM. That is fine.

The PRESIDING OFFICER. The Senator
from New Mexico is recognized for
2 minutes.

Mr. DOMENICI. Mr. President, I think there are so many things we
could discuss here but I just wanted to
take two.

First of all, I do not believe anybody
should leave this debate today think­
ing that Japan is beating America eco­nomically simply because they invest
more in their public infrastructure than we do. That may be a fact. But I
have not found anyone who under­
stands Japan's formidable strides, who
would say the principal reason is be­
because they spend more of their tax­
payers' money. I just do not find any­
body saying that.

Then my good friend, the occupant of
the chair, said it right, except there is
nothing in the President's proposal to
do anything about it. He said the Japa­
nese invest more in plant and equip­
ment every year. What is there in this
plan that will encourage that? Noth­
ing. There is one little incentive called
investment tax credits. I ask that you
look at it. It does not help small busi­
ness at all. What little bit it does, it
does not help our small businesses in America, and it is minuscule; it is almost nothing.
So what is really the difference? The
difference is the Japanese save money
and we do not save money, because our
laws are disincentives to saving. And
there is nothing in the Clinton plan to
encourage savings. I challenge anybody
to come up with anything significant.
That issue has been ignored in this
whole debate about growth and pros­
perity.

This amendment does a simple thing. The American people will understand
that they are being taxed so we can
spend money on new programs. It is as
simple as day and night. I request 30
more seconds.

Mr. GRAMM. I yield the Senator 30
more seconds.

Mr. DOMENICI. It is simple as day
and night. This amendment proves the
point. Take out in new taxes the
amount in new spending—equal.
I would bet today if you put that propo­
sition to the American people it will
get an 85- to 90-percent response. That
is what we thought we were doing. We
thought we were cutting spending in
order to increase taxes and get the defi­
cit under control.

So I commend him for it. I think it
makes the point perfectly, and to dance around the issue of what makes
Japan stronger, as if more American
taxes are going to make us stronger—
let me tell you one last fact.

The PRESIDING OFFICER. The Sena­
tor's time has expired.

Mr. DOMENICI. Can the Senator give
me 30 seconds?

Mr. GRAMM. I yield 30 seconds.

Mr. DOMENICI. Mr. President, for
the first time in this century, the top
tax rate in the United States will be
higher than England. Under this high
tax rate, the British economy has stag­
nated for most of this century, while the United States has prospered, largely
because we did not have these ruinous
tax rates. We are in the name of new
jobs and growth leaning in the direc­
tion of marginal rates as high as Eng­
land, which have proved disastrous.
They are going to prove the same in
the United States.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who
yields time?

Mr. SASSER. Mr. President, I yield 2
minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Sena­
tor from Maryland is recognized for
2 minutes.

Mr. SASSER. Mr. President, I want to say with all due respect to my
colleague from Texas who has been
leading the opposition to this amend­
ment that if this were not serious busi­
ness, I would have to say that some of
the comments he just made were
laughable. I make this point with re­
spect to his comments that we have to
do it all in the private sector and yet
he has been the champion on this floor
of the superconducting super collider, which is public money, public money to
help build our scientific infrastructure.

Some think we should not have it
and some think we should. The Senator
from Texas is a champion of thinking
we ought to have it. But it is public
money. And then the space station. Ah,
we get all this beating of the chest
about the private sector. Then the Sena­
tor turns around and champions the
space station. That is public money.

And then we had the S&L's. We
are going to lay out $130 billion and about
half of it is going to go into Texas for
the abuses of the owners of the S&L's
in Texas for which the rest of the coun­
try is paying.

So we get all of this beating of the
chest, but what we have is we have so­
cialism for Texas, as far as the Senator
from Texas is concerned, and free en­
terprise and markets for everybody
else. So, to come out here and give us
a speech and then turn around on an­
other day and get up and give a big
speech for the superconducting super
collider which will cost $8 or $10 bil­
lion as projected out. Public money.
A big speech for the space station which
will cost $30 to $40 billion as projected
out. Public money.

The PRESIDING OFFICER. The Sena­
tor's time has expired.

Mr. SASSER. I yield 1 minute.

The PRESIDING OFFICER. The Sena­
tor is recognized for 1 additional
minute.

Mr. SARBANES. And then the S&L's.
The operators of those S&L's took the
provision in the law that said you
could get Federal deposit insurance but
your powers would be governed by
State law. These are State chartered
institutions whose deposits were cov­
ered by Federal insurance. Texas then
had a law which allowed them to en­
gage in the widest, indeed widest sort
of activities. They would engage in
speculation that would make a prudent
person blush.

So they went out and did it, my dis­
tinguished colleague's constituents,
the operators of these S&L's and then
it all fell apart. We had to honor the
deposit insurance. We are now going
to do that to the tune of about $130 bil­
lion, and about half of that is going to
go for these practices on the part of
the S&L's in Texas.

And then he comes out here on the
floor and we get one of these lectures:
It is all going to be in the private sec­
ctor; and yet we are pouring public
money into Texas into the super­
conducting super collider, the space
station, and the bailout of the S&L's.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Chair
recognizes the Senator from Texas.
Mr. GRAMM. Mr. President, I often have found when people cannot debate the issues, they want to engage in attacking people or their States. I hope my colleagues will remember that I offered the amendment to assess the S&L's $15 billion, to close down troubled thrifts and each Member will have to answer for how they voted.

Let me say I will not vote to raise taxes to fund programs in my State. Taxes are already high enough. I am proposing a 25-percent cut in spending, and if that means less Federal money available for Texas, it is a good bargain because we are not going to build Texas and America by raising taxes and funding more Government spending. We are going to do it through the private sector. We are spending 1.9 percent of all Government spending on science. We spent 5.2 percent 25 years ago. So to argue that we have a deficit problem because we are investing in science and the future is, I think, simply the facts.

I yield 3 minutes to Senator BOND.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri [Mr. BOND] for 3 minutes.

Mr. BOND. Mr. President, this amendment is about what we think our economy needs. Do we need more taxes or do we need less spending? Raising taxes has never created a private sector job, except maybe, of course, lawyers or accountants.

So why do our colleagues on the other side of the aisle and the administration do not want recovery and then do everything in their power to kill off job creation? Calling higher taxes for higher social spending and investment is a marvelous example of new speech. It is the same old tax-and-spend philosophy but we just call it investment.

Make no mistake about it, the Btu tax will cost jobs, the inland waterway tax will cost jobs, and if you look at this chart which is a replication of others, by the year 2000 we will be back up to the same deficit under the Clinton figures as we are now going to $300 billion.

Some of my colleagues said that credible objective observers have supported the Clinton plan.

I urge my colleagues to read the compilation of comments by prize-winning economists which occurred in yesterday's Wall Street Journal. They recognize the problems.

Several of my colleagues have heard my complaints about the reliance on taxation in this package; a ratio of nearly $1 in taxes to $1 in spending cuts will not work. And folks in America are going to be mighty disappointed when a program heralded as a deficit reduction plan results in higher deficits. Four times we have raised taxes the last 10 years and the deficit has continued to go up.

Last week in wrapup I referred to rabbit stew. I referred to it because the President did an excellent sales job in his State of the Union Message of selling the sizzle. But when you looked at it, the meat was not there. It reminds me of a recipe divided between spending cuts and tax increases, of a rabbit stew sold in a cafe in a small town near my home. A fellow went in one day and said, "I'll have some of your famous rabbit stew." When he took a bite of it, he said, "Wait a minute. That doesn't taste like rabbit. That tastes like horse meat." He called the chef out. He said, "I can't taste the rabbit." The chef said, "I extended it a little bit with equal parts horse meat and rabbit." He said, "What do you mean?" The chef said, "One part horse and one part rabbit."

That is, Mr. President, what we have here. We have about equal parts, 313 billion dollars' worth of horse meat taxes, $81 of spending cuts, and only $7 of that domestic spending. I think it is time we took the horse meat out of the rabbit stew and supported this amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. SASSER. I see the distinguished chairman of the Commerce Committee on the floor. I yield 10 minutes off the bill to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina for 10 minutes.

Mr. GRAMM. Point of order, Mr. President. Can time be yielded off the bill on this amendment? We are under unanimous consent. Is that in order?

As I understood the unanimous-consent agreement there is no time on the bill. Time is allocated to the individual amendments.

The PRESIDING OFFICER. The Chair would advise the Senator from Texas that it is the Chair's understanding, pursuant to the unanimous-consent agreement that was entered into last evening, while this amendment is pending, time may not be yielded off the resolution.

Mr. GRAMM. I thank the Chair.

The PRESIDING OFFICER. The Senator from Tennessee has 30 seconds remaining.

Mr. SASSER. I yield to the Senator from South Carolina. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. SASSER. Mr. President, do I control time under the resolution?

The PRESIDING OFFICER. The Senator does control the time under the resolution.

Mr. SASSER. Mr. President, after time is yielded on the amendment, may I then yield time on the resolution?

The PRESIDING OFFICER. The Chair would advise the Senator from Tennessee that under the unanimous-consent agreement it was understood that all time would be used on this amendment after which there would be an immediate vote.

Mr. SASSER. Mr. President, I yield the remainder of my time to my friend from South Carolina.

Mr. HOLLINGS. Thirty seconds.

Mr. HOLLINGS. I can tell you here and now we did have a vote on Social Security taxes, and we had that vote on April 24, 1991. And the distinguished Senator from South Carolina voted to increase Social Security taxes on Joe Six-Pack by $24.6 billion in 1992, $27.6 billion in 1993, $38.2 billion in 1994, $44 billion in 1995, and $61.7 billion in 1996. By their fruit shall ye know them.

I thank the distinguished Senator.

Mr. SASSER. I thank the distinguished Senator from South Carolina.

Mr. GRAMM. Mr. President, I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. To the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON] is recognized for 4 minutes.

Mr. GORTON. Mr. President, in an edition of the Washington Post published last week, its writer on economics, Robert Samuelson wrote an appreciation of the life and work of C. Northcote Parkinson, the author of several Parkinson's laws. The particular Parkinson's law to which Mr. Samuelson referred was that which, only slightly paraphrased, states that Government expenditures will rise to meet Government receipts and then some.

Never has Parkinson's law been more aptly and aptly illustrated than it is by this budget resolution; $235 billion in new taxes are proposed in order to allow a huge increase in domestic spending. The Federal Government will state his inquiry.

Mr. SASSER. Mr. President, do I control time under the resolution?

The PRESIDING OFFICER. The Senator does control the time under the resolution.

Mr. SASSER. Mr. President, after time is yielded on the amendment, may I then yield time on the resolution?

The PRESIDING OFFICER. The Chair would advise the Senator from Tennessee that under the unanimous-consent agreement it was understood that all time would be used on this amendment after which there would be an immediate vote.

Mr. SASSER. Mr. President, I yield the remainder of my time to my friend from South Carolina.

Mr. HOLLINGS. What time is that—30 seconds?

Mr. SASSER. Thirty seconds.

Mr. HOLLINGS. I can tell you here and now we did have a vote on Social Security taxes, and we had that vote on April 24, 1991. And the distinguished Senator from South Carolina voted to increase Social Security taxes on Joe Six-Pack by $24.6 billion in 1992, $27.6 billion in 1993, $38.2 billion in 1994, $44 billion in 1995, and $61.7 billion in 1996. By their fruit shall ye know them.

I thank the distinguished Senator.

Mr. SASSER. I thank the distinguished Senator from South Carolina.
No, we are presented with a proposal to increase our tax rates to higher than the maximum tax rates in the United Kingdom and presumably to catch what we do not know the English disease. The Gramm-Lott amendment will prevent that from taking place. It will create infinitely more jobs in the private sector where they will be lasting, permanent, and good jobs. It is an excellent amendment and should be adopted.

Mr. GRAMM. Mr. President, how much time do I have remaining?

Mr. GRASSLEY. Mr. President, some attention has been given to promises that were made by the President during the campaign that he has now abandoned. I want to focus on two of these broken promises that are embodied in this budget resolution.

We all know the President pledged to reduce taxes for middle-income taxpayers. In addition, he strongly opposed a hike in the tax on gasoline, and was very critical of those political opponents who advocated an increased tax on gasoline.

Unfortunately, once the election was conveniently over, we all witnessed a disturbing transformation in the new President and his agenda.

In a thinly disguised energy tax proposal based on BTU's, the President has not only dropped his pledge for a middle-income tax cut like a rock, he has also substantially increased the tax on gasoline.

The administration has admitted that this energy tax will hit low- and middle-income taxpayers. But, they argue these tax increases will be mitigated by other parts of the package, such as an expanded earned income tax credit, and increased low-income heating funds.

Well, Mr. President, these may help some taxpayers. But, it is important to remember that LIHFAAP only helps low-income taxpayers and the EITC does not even apply to single or married taxpayers who have no children. Maybe this is the President's indirect way of being profamily. But, instead of giving families a tax break, he will just increase their taxes a little less than single individuals.

And remember, even with an expanded EITC, anyone making over $30,000 will not get any help or benefit at all. Of course, these are the people that the administration has determined are rich and do not need any help anyway.

To make matters worse, the administration has also been bowing to the demands of average families. The President argues his energy tax will only cost the average family of four $17 a month or $204 a year. In Iowa, the Department of Natural Resources has estimated that the President's energy tax will cost the average family of four over $300 per year. I know that does not sound like much to many Members of Congress who make over $133,000 a year, but in
Iowa, a $300 tax increase is a major tax increase that this Senator cannot support.

So, I hope that the people of America will look very closely at the President's proposals. Because once they get past the fog of rhetoric, the harsh reality will set in. And, hopefully, this plan will be sent back to the drawing board.

Mr. GRAMM addressed the Chair.

Mr. GRAMM. Mr. President, we have had a good debate here today. Before we vote, I want to sum up again what the amendment does. Over the next 5 years, under this budget, with a built-in increase in domestic spending that is already the law of the land, non-defense spending will grow by $460 billion. What this amendment does is it takes about a quarter of that increase out, and eliminates new income taxes on individuals as well as the BTU tax and the Social Security tax—and ends up not increasing the deficit, but dramatically changing the budget that is before us.

We can say tax with many different words. We can say spend with many different words. We are now in a debate that engages in doublespeak. There is a new language that has been created because people do not want to say tax, and because they do not want to say spend. But what this amendment does it freezes discretionary spending; it eliminates the President's add-ons for new spending; and then it takes those savings to offset the elimination of individual income tax increases, to take out Social Security taxes, and to take out energy taxes.

Our colleagues have talked about these rich people, these people making over $200,000 a year. Let me remind my colleagues of the following facts. According to the Internal Revenue Service, there are 469,665 tax returns filed where the income reported is over $200,000 a year. The number filed by proprietorships over that amount is 68 percent of the tax returns filed. We have over $200,000 a year are not coming from rich people; they are coming from proprietorships and sub-chapters S corporations.

Surely, our colleagues talk about taxing rich people, they are really talking about taxing small businesses and family farms. They are talking about taxing the very groups that create the jobs that make America grow. Debating the budget this year has been very difficult, Mr. President, because I have never seen a bigger gap between the rhetoric and the reality. We have gone, in a few short months, from a promise of $5 of spending cuts for every $1 of revenues—$2 in spending cuts for every $1 in revenues when Senator Bentsen was before the Senate during the confirmation process and when Congressman Panetta was before our relevant committees; and the President, in the State of the Union Address, said $1 in spending cuts for every $1 in taxes. So, now, the President will make these cuts. President Clinton's designated numbers authority and the CBO says $3.84 in taxes for every $1 in spending cuts. Those spending cuts are basically in defense.

We heard throughout the campaign: We are going to tax rich people. We now find that the tax which was supposed to really get rich people—that 68 percent of those returns are filed by proprietorships, partnerships, and sub-chapter S corporations. We are not taxing John Q. Astor; we are taxing Joe Brown & Sons Hardware Store.

We heard the energy tax was a throwaway. Now Dr. Schlesinger, the Energy Secretary under President Carter, says it is $500 a year. We were going to tax rich people, and now Social Security recipients with a W-2 form income of $18,000 a year are going to have their taxes go up dramatically.

Mr. President, we have tried on this side to get the facts out. But quite frankly, we have not gotten the facts out. The President is a great salesman. I commend him. He has done an excellent job. Maybe we are not great salesmen.

But I want to leave my colleagues with this point: 16 months from now, when these tax increases and these spending increases have taken effect, the American people are going to discover what is in this budget. And it is my humble opinion—only my opinion—that when they do, they are going to believe that they have been duped. Many of them are going to go back to the Presidential campaign, and they are going to blame the President.

But democracy is about accountability. We are going to have a vote here tomorrow. We are going to vote "yea" or "nay." Those who are voting "yea," those who are voting for this budget, are voting for the largest tax increase in American history, and the largest 5-year increase in nondefense spending in the history of our country. If you believe that is the way to prosperity, then that is the vote you ought to cast.

I do not believe it is the road to prosperity. I believe it is the road to economic decline. So I am going to vote "no."

When the facts are in, when people know what is in the budget, maybe they will say: Well, I should have known. There were a bunch of people trying to tell me. I did not want to believe it. It is my fault.

Maybe they will say that. I do not think they will say that. I think they will say: We were deceived. Maybe AARP, which has let the partisanship of their leadership stand in the way of supporting the Lott amendment, will say: It is our fault; we should have told people Social Security was being taxed.

I do not think they are going to do that. I think ultimately we are going to be held accountable. That is exactly as it should be. If this program works—and I hope it will, because it is the country of Republicans as well as Democrats—then I congratulate our colleagues for doing something that no other country in the world has ever really been able to do; that is, through growing Government, through increasing taxes on the working men and women of the country, by expanding Government spending, by having Government pick winners and losers, promote prosperity, while the whole world is going in the other direction. The whole world is rejecting Government as a source of prosperity and freedom.

Yet, here in this great temple to democracy, there is this desire to prove that the world is wrong, and that socialism will come. It should not happen.

I suspect, Mr. President, deep down in my heart, that socialism survives not because it works economically, but because it works politically; because socialism creates political constituencies.

But, in any case, we are going to get the proof.

I can stand here and say this is a bad budget. My colleagues can stand here and say it is a good one. But, ultimately, we will know when we look at the economy. I know the President; I am against this budget because I believe it will not work. It will not bring down the deficit. It will not put people to work.

If you want to dramatically improve it, if you want to freeze spending—which the American people say they are for—if you want to drop this add-on spending in the President's budget and make that cut $1 for every $1 we add to some of these new spending programs and then take out income taxes, energy taxes, Social Security taxes—taxes that will stifle job creation, that will slow down the economy, and that will put Americans out of work—I urge my colleagues to vote for this amendment.

I yield the remainder of my time.

The PRESIDING OFFICER (Mrs. MURRAY). All time has expired on this amendment. The vote occurs on the amendment No. 249 offered by the Senator from Texas.

Mr. SASSER. Madam President, I move to table the amendment and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.
The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

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

[Rollcall Vote No. 59 Leg.]

YEAS—55

Akaka       Feinstein      Mikulski
Baucus       Ford         Mitchell
Biden       Glenn        Moonlight-Braun
Bingaman     Graham       Moynihan
Boren        Harkin       Murray
Boxer        Harkin       Nunn
Bradley      Hollings     Pell
Breaux        Johnson     Pryor
Bryant        Kennedy     Reid
Bumpers      Kerrey       Riegel
Byrd         Kerry         Robb
Campbell     Kobli        Rockefeller
Conrad        Krueger      Sarbanes
Daschle      Lauscheiner  Sasser
DeConcini    Leahy        Simon
Dodd         Levin        Wellstone
Durbin       Lieberman    Wofford
Exon         Mathews     
Fistagold    Metzenbaum

NAYS—44

Bennett      Finkenstiel  McDonnell
Bond          Gorton        Murkowski
Brown         Gramm        Nickles
Bunson        Grassley     Packwood
Chafee        Gregg        Pressler
Coats         Hatch        Roth
Conahan       Hutto        Shelby
Cohen         Hollins      Simpson
Coverdell     Jeffords     Smith
Craig         Kassebaum    Specter
D'Amato       Kempthorne   Stevens
Durbin        Lautenbach  Thurmond
Dele          Logar        Wallop
Domenici      Mack         Warner
Durenberger    McMahan

NOT VOTING—1

Inouye

So the motion to table the amendment (No. 249) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 246

(Purpose: To express the sense of the Senate, consistent with the position of the Clinton administration, that fuels used for home heating purposes be exempt from the supplemental Btu tax on oil)

Mr. KENNEDY. Madam President, I send an amendment to the desk on behalf of myself and my colleagues, Senator KERRY, Senator LIEBERMAN, Senator DODD, Senator LEAHY, Senator JEFFORDS, Senator PELL, and others.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself, Mr. KERRY, Mr. LIEBERMAN, Mr. DODD, Mr. LEAHY, Mr. JEFFORDS, Mr. PELL, and Mr. MITCHELL, proposes an amendment numbered 246.

Mr. KENNEDY. Madam 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 appropriate place insert the following:

It is the sense of the Senate that revenue figures contained in this resolution assume, consistent with the position of the administration, that the Btu tax will be levied at the same rate on all fuels purchased by households for home heating purposes and therefore that the supplemental tax on oil will not be imposed on such fuels.

Mr. KENNEDY. Madam President, I understand there is a time agreement, am I correct?

The PRESIDING OFFICER. That is correct. There will be 10 minutes of debate, equally divided.

Mr. KENNEDY. Madam President, I yield myself 2 minutes.

I ask that the Senate be in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Madam President, one of the very constructive aspects of the administration's energy policy was to reject a number of different alternatives in finding a fair way to tax energy and settling on what is called the Btu tax, and by doing that to try to have as fair and as equitable distribution of the burden across the country as possible.

The administration also included an additional surtax on the use of oil. And we understand the reasons for that.

But one of the unfortunate consequences, when the administration added that supplemental tax, is that it hit home heating oil. Of all of oil's usage, only 2 percent is used for home heating. But half the homes in New England use heating oil.

So if we are not successful in providing an exemption for home heating oil, we would have a situation where one home was heated by gas, one by oil, and there would be a very significant disparity in that particular result.

So the purpose of this amendment is to try to carry forward what the administration, I think, was doing correctly, and that is to have equity and fairness across the country in the utilization of all fuel sources.

With the acceptance of this amendment, we move ourselves a long way down the road. This is essential in terms of the New England homes. It is also enormously important to schools, to colleges, and to hospitals, which are largely dependent on home heating oil, as well as propane.

So, Madam President, I appreciate the willingness of the leaders to accept this amendment. It is of enormous importance.

I yield the remaining time to the majority leader.

Mr. MITCHELL. Addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Madam President, I ask unanimous consent that I be added as a cosponsor of the amendment.

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

Mr. MITCHELL. Madam President, I rise to support the amendment of the Senator from Massachusetts to clarify that the proposed Btu supplemental tax on oil will not apply to home heating oil and other heating fuels. This is a very important issue to my State of Maine as well as other States in New England.

The President has proposed a bold initiative for deficit reduction and long-term economic growth that includes a new tax on energy. The proposal includes a supplemental tax of 5.7 cents per million Btu's on coal, oil, natural gas and other energy, as well as a supplemental tax of 34.2 cents per million Btu's on oil.

Although the Clinton administration has proposed a higher tax on oil, the plan does assume that heating oil will be treated differently. The proposal is silent with respect to the treatment of propane and kerosene, two other fuels purchased by households for home heating purposes.

One of the objectives of the administration in developing its Btu energy tax was to design a tax that minimized the difference in tax burdens among different parts of the nation as compared to a carbon tax or a gasoline tax which would impose disproportionate burdens on different regions, the administration intended its Btu tax to be relatively neutral between different States.

That objective would not be obtained, however, if the supplemental Btu tax is imposed on home heating oil. According to the information I have, the highest tax States would be Alaska, Maine, Connecticut, Vermont, New Hampshire, Massachusetts, and Delaware. Their average residential tax burden would be almost 50 percent greater than the average burden in the rest of the Nation.

The Clinton administration agrees that this should not be the case and therefore it supports a different treatment for home heating oil. As is clearly stated in the Treasury Department's explanation of the administration's tax proposals, over the last several weeks, I have spoken with several officials in the Clinton administration about this issue and the administration is in agreement that the supplemental tax on oil should not apply to fuels used for home heating purposes.

The result would be that oil-derived home heating fuels would be treated the same as natural gas and coal. This would remove the large regional disparity that would otherwise exist.

Propane presents a special case. This fuel, which is primarily used as a heating source among poorer and more rural households, is derived from either oil or natural gas. About two-thirds of current consumption is derived from natural gas but the administration proposal is not clear whether all or only some of the propane consumed would be subject to the supplemental tax.

This sense-of-the-Senate makes clear the intent of the administration and
Congress with respect to the Btu tax by stating that the supplemental portion of that tax will not apply to home heating fuels. The effect would be to treat families, States, and regions more fairly with respect to the burden of the tax.

The effect of this amendment on the overall revenue collected from a Btu tax is quite minor. Home heating oil comprises less than 2 percent of all energy consumption. Therefore, while this amendment is very important to households consuming home heating oil—and to States heavily reliant on this form of energy for residential heating—the effect on the Btu tax is negligible.

I have spoken to the President about this issue and he agrees that the supplemental tax on oil should not apply to home heating oil. With this sense-of-the-Senate we are simply expressing congressional intent, consistent with the intent of the Clinton administration, that oil-derived home heating fuels all be taxed the same as other fuels that are used to heat homes.

Madam President, Members of the Senate, this amendment is consistent with the President's position on the Btu tax. The President has stated, throughout discussions of the matter, that home heating fuel would be treated equally.

As proposed, the tax imposes a higher level on oil. Unless special provisions were made for home heating oil and other home heating fuels, the result would be that a home heated with natural gas in one part of the country would pay a much lesser tax than a home heated with oil in New England or some other region.

The entire purpose of this amendment—again, as I stated, consistent with the President's proposal and in accordance with the President's previous statement on the subject—is simply to make sure that Madam President's proposal of home heating fuels all be taxed the same will be treated equally.

So that if a person heats his or her home with natural gas in the western part of the country, that would be the same tax level as someone heating with propane in the midwestern part of the country and it would be the same level as someone heating with oil in the northern part of the country. It is an effort simply to establish a fair and equitable tax on home heating fuels.

I commend the Senator from Massachusetts for his leadership on the subject. I commend the President and the administration for their willingness to include such a provision in the President's proposal.

I reserve the remainder of the time of the Senator from Massachusetts.

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. We have 5 minutes on our side, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield 1 minute to the Senator from New Hampshire and 2 minutes to the Senator from Alaska, and I will return to my seat.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, I certainly agree with the intention and sentiment of the amendment, but I will not try to upstage the issue.

The fact is, the Btu tax, as proposed by the executive branch, is extremely discriminatory against cold regions of this country. The rate of tax under the Btu tax as proposed—there is nothing about it not being proposed—as actually, physically proposed by the administration is 2 1/2 times the rate of tax on gas and on electricity. And that means the citizens of States like New Hampshire, States in northern New England, and States in the colder areas of this country are going—whether low income, middle income, or high income—are going to be paying an extra penalty as a result of that tax.

The PRESIDING OFFICER. The time of the Senator has expired.

The Chair recognizes the Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. Madam President, I have not heard it said that they did not intend this tax on home heating oil. They simply say we are going to give it a 1-year exemption.

This amendment really does nothing that it is a sense-of-the-Senate amendment—bind this body. This is the fourth time I have stood before this body and indicated that I have an amendment pending, No. 204, to strike the surtax. We are going to vote on that this afternoon. We are going to vote up or down.

Madam President, the reality of this is that we propose a relief, if you will, from this surtax of 34 cents per million Btu's. It would be offset by current new spending.

Specifically, what? Well, we have a new program here called crosscutting high-performance computing; whatever that means.

That program cost $784 million over 5 years. The Btu tax, which I am proposing that we strike, would cost $648 million over 5 years.

The reality of this speaks for itself. It is unfair.

We are going to vote on it today and we should vote on it because we should not rely on a committee to make this resolve for us. Otherwise, this whole process is a charade, which it appears to be.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair, and I thank Senator MURKOWSKI.

I want to make two points. The distinguished majority leader speaks of discrimination for those homes that use fuel oil. What happens, when you start changing the President's plan, you discriminate. We permit other discrimination, but not the kind that is causing some political problem somewhere.

Everybody using crude oil derivatives is discriminated against in the Btu tax, everyone, not just those who are using it for fuel oil. All the businesses that use it instead of natural gas are being discriminated against.

What I see this as—and I urge everybody to vote for it; it is meaningless—is an SOS. I finally decided what these sense-of-the-Senate amendments are: SOS, the international signal of distress. It is political distress.

It is distress; it is political distress. So along we come and we say we do not like what the President proposed but we like everything else. Just take this piece of something, somewhere, sometime. Nonetheless, I do not think anybody ought to be against the proposition that this entire tax is discriminatory as far as petroleum products from crude oil.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Madam President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute remaining.

Mr. KENNEDY. I will take the remaining minute.

I listened to our good friends across the aisle talk about this administration and the Btu tax. It was their President who put in the oil import fees and supported the oil import fees for year after year after year, for New England. So if we are talking about the history of where we are, trying to get a fair and equitable energy policy, I do not think they come to this particular issue with great credibility.

Mr. MURKOWSKI. I finally decided what these sense-of-the-Senate amendments are: SOS, the international signal of distress. It is political distress.

The time of the Senator has expired. Who yields time?

Mr. MURKOWSKI. I thank the Chair. Madam President, I have not heard it said that they did not intend this tax on home heating oil. They simply say we are going to give it a 1-year exemption.

This amendment really does nothing that it is a sense-of-the-Senate amendment—bind this body. This is the fourth time I have stood before this body and indicated that I have an amendment pending, No. 204, to strike the surtax. We are going to vote on that this afternoon. We are going to vote up or down.

Madam President, the reality of this is that we propose a relief, if you will, from this surtax of 34 cents per million Btu's. It would be offset by current new spending.

Specifically, what? Well, we have a new program here called crosscutting high-performance computing; whatever that means.

That program cost $784 million over 5 years. The Btu tax, which I am proposing that we strike, would cost $648 million over 5 years.

The reality of this speaks for itself. It is unfair.

We are going to vote on it today and we should vote on it because we should not rely on a committee to make this resolve for us. Otherwise, this whole process is a charade, which it appears to be.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I think we were out of time. Will the Senator speak for another minute?

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

Mr. MURKOWSKI. Madam President, I do not want this on my time, it is an inquiry. But I thought I was given 2 minutes. Clearly that was not the communication because the Chair called time on me.

The PRESIDING OFFICER. The Chair apologizes. The time remaining was 1 minute and 40 seconds. I apologize.

Mr. MURKOWSKI. Anyway, the point was made if you take the recommendation of my friend from Massachusetts we are going to vote on an innocuous
sense-of-the-Senate resolution that is nonbinding. I am going to support it. But this body is going to have the opportunity to vote up or down on whether to waive this unfair tax. And that is what we should have, as opposed to some committee that does not represent all 100 of us.

So that is the point. We are going to have a chance to vote on it and America is going to be watching your vote, because your vote will determine whether you wish to subject America to this unfair and inequitable tax, especially on those who are dependent on oil and who have no other alternative.

I yield the remainder of my time to the assistant floor manager.

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

The PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

Mr. KERRY. Madam President, I yield the remainder of my time to the senior Senator from Massachusetts, for proposing this amendment. As always, he is concerned with the assistant floor manager.

Mr. CHAFEE. Mr. President, I am pleased to support the distinguished Senator from Massachusetts' amendment to provide a greater measure of equity to the President's energy tax proposals.

The President's energy tax proposal imposes an excise tax on all fossil fuels at a basic rate of 25.7 cents per million Btu's, with a supplemental tax of 94.2 cent per million Btu's applicable solely to oil. The amendment that Senator KENNEDY is offering today, expresses the sense of the Senate that this supplemental tax should not apply to oil used for heating purposes.

The administration's own estimate of the effect that the energy tax proposal will have on heating oil users clearly demonstrates the need for this amendment. They estimate that as a result of this tax, both electricity and natural gas rates will increase by 4 percent. However, heating oil rates will increase 8 percent. I do not think any of us could argue with a straight face that this is an equitable way to tax society's cracks, whose plight we might overlook if we examined only the aggregate data and ignored the specific impacts of our policies.

I am a strong supporter, as is my colleague, of the President's plan to cut the deficit and increase investment—including his energy tax which I believe will increase our Nation's energy conservation and decrease our energy dependence. However, it is clear that the surplus tax on oil will extract an extremely high price from those whose homes use heating oil. Families who heat their homes with heating oil are fully exposed to the price increases that occur when they cannot substitute a different form of energy because converting their homes is prohibitively expensive. The differential, therefore, will simply punish those families who use home heating oil—many of whom are still suffering the effects of the recession and can barely make ends meet today.

Madam President, this discrepancy hurts New England families particularly hard since a greater proportion of New England families use heating oil than families nationwide. Roughly 50 percent of the housing stock in the New England region is oil-heated compared with about 14 percent nationally. New Englanders do not use more oil out of choice, but out of historical necessity. The region lacks indigenous hydrocarbon resources. Coal has been difficult to transport to the region and natural gas pipelines have limited penetration in the region. As a result, petroleum has emerged as New England's single major energy alternative.

Our commercial sector has made as many adjustments as it can away from oil. New England industry responded to the oil crisis of the 1970's by reducing energy use to the point where overall energy use per capita in New England fell to three-quarters the national average—despite the long New England Winters. New England industry also switched the mix of its fuel consumption so that oil consumption in New England dropped from over 80 percent of energy use in 1970 to its present level of roughly 60 percent. Our businesses have done a great deal, and I am sure they will do more.

But families cannot shift as easily. As a result, the Congressional Budget Office estimates that the proposed tax would raise direct energy costs more in the Northeast than in any other region. I received a phone call late last week from a father of four who lives with his family in western Massachusetts. Their home is heated with heating oil and they can't switch to natural gas. He asked me why he and others like him in New England should sacrifice more than those who have easier access to natural gas in other parts of the country.

It is out of concern for families like his that I ask my colleagues to support this amendment.

Mr. CHAFEE. Mr. President, I am offering today, expresses the sense of the Senate that the energy tax must treat oil used for heating purposes.

The President's energy tax proposal imposes an excise tax on all fossil fuels at a basic rate of 25.7 cents per million Btu's, with a supplemental tax of 94.2 cent per million Btu's applicable solely to oil. The amendment that Senator KENNEDY is offering today, expresses the sense of the Senate that this supplemental tax should not apply to oil used for heating purposes.

The administration's own estimate of the effect that the energy tax proposal will have on heating oil users clearly demonstrates the need for this amendment. They estimate that as a result of this tax, both electricity and natural gas rates will increase by 4 percent. However, heating oil rates will increase 8 percent. I do not think any of us could argue with a straight face that this is an equitable way to tax society's cracks, whose plight we might overlook if we examined only the aggregate data and ignored the specific impacts of our policies.

I am a strong supporter, as is my colleague, of the President's plan to cut the deficit and increase investment—including his energy tax which I believe will increase our Nation's energy conservation and decrease our energy dependence. However, it is clear that the surplus tax on oil will extract an extremely high price from those whose homes use heating oil.

Families who heat their homes with heating oil are fully exposed to the price increases that occur when they cannot substitute a different form of energy because converting their homes is prohibitively expensive. The differential, therefore, will simply punish those families who use home heating oil—many of whom are still suffering the effects of the recession and can barely make ends meet today.

Madam President, this discrepancy hurts New England families particularly hard since a greater proportion of New England families use heating oil than families nationwide. Roughly 50 percent of the housing stock in the New England region is oil-heated compared with about 14 percent nationally. New Englanders do not use more oil out of choice, but out of historical necessity. The region lacks indigenous hydrocarbon resources. Coal has been difficult to transport to the region and natural gas pipelines have limited penetration in the region. As a result, petroleum has emerged as New England's single major energy alternative.

Our commercial sector has made as many adjustments as it can away from oil. New England industry responded to the oil crisis of the 1970's by reducing energy use to the point where overall energy use per capita in New England fell to three-quarters the national average—despite the long New England Winters. New England industry also switched the mix of its fuel consumption so that oil consumption in New England dropped from over 80 percent of energy use in 1970 to its present level of roughly 60 percent. Our businesses have done a great deal, and I am sure they will do more.

But families cannot shift as easily. As a result, the Congressional Budget Office estimates that the proposed tax would raise direct energy costs more in the Northeast than in any other region. I received a phone call late last week from a father of four who lives with his family in western Massachusetts. Their home is heated with heating oil and they can't switch to natural gas. He asked me why he and others like him in New England should sacrifice more than those who have easier access to natural gas in other parts of the country.

It is out of concern for families like his that I ask my colleagues to support this amendment.

Mr. CHAFEE. Mr. President, I am offering today, expresses the sense of the Senate that the energy tax must treat oil used for heating purposes.

The President's energy tax proposal imposes an excise tax on all fossil fuels at a basic rate of 25.7 cents per million Btu's, with a supplemental tax of 94.2 cent per million Btu's applicable solely to oil. The amendment that Senator KENNEDY is offering today, expresses the sense of the Senate that this supplemental tax should not apply to oil used for heating purposes.

The administration's own estimate of the effect that the energy tax proposal will have on heating oil users clearly demonstrates the need for this amendment. They estimate that as a result of this tax, both electricity and natural gas rates will increase by 4 percent. However, heating oil rates will increase 8 percent. I do not think any of us could argue with a straight face that this is an equitable way to tax society's cracks, whose plight we might overlook if we examined only the aggregate data and ignored the specific impacts of our policies.

I am a strong supporter, as is my colleague, of the President's plan to cut the deficit and increase investment—including his energy tax which I believe will increase our Nation's energy conservation and decrease our energy dependence. However, it is clear that the surplus tax on oil will extract an extremely high price from those whose homes use heating oil.

Families who heat their homes with heating oil are fully exposed to the price increases that occur when they cannot substitute a different form of energy because converting their homes is prohibitively expensive. The differential, therefore, will simply punish those families who use home heating oil—many of whom are still suffering the effects of the recession and can barely make ends meet today.

Madam President, this discrepancy hurts New England families particularly hard since a greater proportion of New England families use heating oil than families nationwide. Roughly 50 percent of the housing stock in the New England region is oil-heated compared with about 14 percent nationally. New Englanders do not use more oil out of choice, but out of historical necessity. The region lacks indigenous hydrocarbon resources. Coal has been difficult to transport to the region and natural gas pipelines have limited penetration in the region. As a result, petroleum has emerged as New England's single major energy alternative.
It is the sense of the Senate that any amounts saved through the efforts of the National Performance Review Task Force headed by the Vice President and as a result of any action taken by the President or actions taken by the Federal Government should be applied to offset the cost of any economic stimulus package enacted in fiscal year 1993. Any amounts saved in excess of those necessary to offset the cost of any such economic stimulus shall be applied to reduce the Federal budget deficit and for no other purpose.

Mr. KRUEGER. Madam President, over the preceding hours of discussion, I have heard my colleagues disagree with aspects of this budget resolution and propose modifications to others. But in these discussions and those that preceded them, I hear general accord about the need to streamline Government, to reduce the deficit, and to be judicious in advancing a fiscal stimulus package. I rise today to propose a budget resolution amendment that recognizes my colleagues’ general accord on these issues.

In 6 months, the National Performance Review Task Force headed by Vice President GORE will issue a series of recommendations for cutting costs, enhancing efficiencies, and reorganizing functions of the Federal Government. I seek a sense of the Senate that amounts saved as a result of the audit will be turned to a pair of worthy ends. First, amounts saved as a result of this Governmentwide audit will match the cost of any economic stimulus package enacted in fiscal 1993. Second, I seek a sense of the Senate that additional savings—and there will be some—will be applied to reduce the budget deficit and for no other purpose.

Last month I introduced the Federal Efficiency Improvement Act, which called for the kind of Governmentwide audit the Vice President is now conducting. When I introduced that measure, I specified that savings would be equitable to all groups of Americans and all generations of Americans. I argued for Government that is leaner and more efficient and makes fewer dollars to yield greater results. And I spoke, above all, about accountability.

The administration has in effect implemented many aspects of the Federal Efficiency Improvement Act by Executive order. The GORE will issue a series of recommendations for cutting costs, enhancing efficiencies, and reorganizing functions of the Federal Government. I seek a sense of the Senate that additional savings—and there will be some—will be applied to reduce the budget deficit and for no other purpose.

I remind the Members of the Senate that, even if recommendations are made under this Executive order to study, Congress has to vote on them, approve them, and decide what they want to do with them. And for us to take all of those issues and make an advance kind of decision about it—that it is all going to be helpful, and we are not going to waste the stimulus package and we are not going to really have to pay for that; we are really not going to add to the deficit because they say or anyone else says we are going to do a lot better than that—we do not know exactly how or when and if it will really work.

But I would like everybody to know this says, if and when that happens, I want to relieve the taxpayers of the burden they are paying for the stimulus, other than the first year. So, again, it is innocuous. It does not do anything. I was hopeful that it did. If Senators want to vote for it, it is a wish and a hope that this reform commission does some good things; and then, if they do some good things, that Congress will do some good things and not spend the money they save, but rather apply it to the deficit.

I do not think that is really specific enough to have any impact on the budget of the United States. As I indicated, because of that, I truly do not believe it does anything. Do I have any time remaining, Madam President?
The PRESIDING OFFICER. The Senator from New Mexico has 1 minute and 20 seconds remaining.

Mr. DOMENICI. I reserve the time.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Will the Senator yield me 30 seconds?

The PRESIDING OFFICER. The Senator has 20 seconds remaining.

Mr. KRUGER. I yield the 20 seconds I have to the Senator from Tennessee.

Mr. SASSER. Madam President, I want to commend the distinguished Senator from Texas for offering this amendment which will direct that any savings that come from the National Performance Review Task Force be applied against the deficit and also used to help finance the jobs program of the President. This is new, innovative thinking we need to deal with the deficit problem.

I thank the Senator.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico has 1 minute and 20 seconds remaining.

Mr. DOMENICI. Madam President, I guess one way to look at it is that the budget before us is filled with unspecified cuts. In fact, in the last round, when the American people were told where those reductions in Government were coming from, just $31 billion was plugged into the budget under a little box in which you put these kind of numbers.

We cannot even do that for this one. We do not have any dollars to put down in an unspecified way, because we have no idea whether they are going to be real dollars or not. Frankly, I believe this is the way we should not vote on budget resolutions. It gives a false hope, leaves a false impression, and does little or nothing to affect the deficit.

So I hope that anyone who votes for it will vote for it in that context.

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute and 20 seconds remaining.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The amendment before us is now laid aside and the vote will occur following the disposition of the Kennedy amendment No. 254.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Madam President, I ask unanimous consent that the Senator from Montana [Mr. BAUCUS] be recognized to offer a sense-of-the-Senate amendment on agriculture that I am authorized to offer under the previous order.

The PRESIDING OFFICER. The Pryor amendment is in order, and there will be 10 minutes of debate equally divided. Without objection, it is so ordered.

AMENDMENT NO. 257

(Purpose: Expressing the sense of the Senate that farming and related businesses receive relief from the proposed Btu tax)

Mr. BAUCUS. Madam President, I rise to offer an amendment in the nature of a sense-of-the-Senate amendment on behalf of myself, Senator Pryor, Senator Dorgan, and Senator Conrad.

The purpose of my amendment is to show that it is the sense of the Senate that relief from the proposed Btu tax should be provided to American agriculture. I understand that my colleague from Montana has addressed this subject on the floor.

The PRESIDING OFFICER. If the Senator will yield, the clerk will report the amendment.

The bill clerk reads as follows:

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

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

The amendment as follows:

At the end of the resolution, insert the following new section:

SEC. RELIEF FROM ENERGY TAX FOR THE AGRICULTURE INDUSTRY.

It is the sense of the Senate that any energy tax enacted during the 103rd Congress should provide such relief to the agriculture industry as is necessary to ensure that the industry does not absorb a disproportionate impact of that tax.

Mr. BAUCUS. Madam President, essentially, this is an amendment offered on behalf of myself and Senators Pryor, Dorgan, and Conrad, to show that it is the sense of the Senate that relief from the proposed Btu tax should be provided to American agriculture.

I understand that my colleague from Montana, Senator Burns, has addressed this subject, and I agree very much with him that agriculture is disproportionately affected on its face under the budget resolution. It is the purpose of my amendment to show that it is the sense of the Senate, that agriculture not be so disadvantaged.

My amendment, Madam President, gives the Senate an opportunity to agree that some relief from the Btu tax for the agriculture industry is necessary. It is necessary to ensure that Americans continue to enjoy the safest, most abundant, and most low-cost food supply in the world.

At the same time, my amendment recognizes that the form and magnitude of such relief should be crafted by the Finance Committee in the course of its work on the revenue-raising provisions in the reconciliation bill. In its current form, the broad-based Btu tax will result in fewer American farmers, decreased agriculture production, reduced agriculture exports, and higher food prices for Americans.

In particular, the Btu tax hits farmers in three ways: First, farmers would have to pay the tax on the energy used on the farm for such things as irrigation and operation of equipment; second, they would pay the Btu tax on raw materials for food production, like fertilizer and crop protection chemicals; and finally, as a result of the Btu tax, the farmer would face an increase in transportation costs to get his products to market.

The increased costs cannot and will not be passed on by farmers. Instead, a farmer will absorb these costs and experience a continued decline in income. These are not increased costs on the wealthy; they are taxes on rural America, one of the hardest hit sectors of the economy in the past decade.

President Clinton has expressed a willingness to work with us, to work with the Congress in balancing the impact of this package on agriculture, and in the West in general. I plan to work with the administration; with the chairman of the Finance Committee, Chairman Moynihan; and with my colleagues on the Finance Committee to mitigate the potential impact of the Btu tax on the agriculture industry and to work toward the enactment of an economic package that results in the economic growth and deficit reduction that the country so sorely needs.

Madam President, I very deeply thank my colleagues from Arkansas for allowing me to offer this amendment at this time.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD addressed the Chair.

Mr. DOMENICI. How much time does the Senator have remaining?

Mr. BAUCUS, Madam President, how much time on both sides?

The PRESIDING OFFICER. Two minutes and five seconds remaining.

Who yields time?

Mr. DOMENICI. Madam President, I yield the 30 seconds. I am hopeful that if the Senator needs a minute or two, I might give him some of my time in a little bit.

Madam President, this is another one of the SOS amendments. If we do enough of them on the Btu tax, there will not be any Btu tax left. We have all kinds of sense-of-the-Senate amendments. Everybody is saying they are meaningless but, nonetheless, they attempt to say the Btu tax is discriminatory and we are not going to be discriminatory.

Now, this one says we are not going to discriminate against agriculture. What that essentially does is just gut the President's plan. We just have to face it. If that was done, the President's Btu tax is just about denuded
because the President's energy tax places a high, high tax, kind of a surtax on anything that comes from crude oil—diesel fuel that is used on the farm. All those on-farm uses, they come from that source. That is a very big user of derivatives of crude oil. That is why the President decided to tax crude oil twice as much as the others, clearly twice as much as coal, but that was the essence of some environmental theme. So now we come along and say we are all for that. I do not, but apparently when we vote this resolution in, we are going to say we are for that Btu tax, but do not put it on my constituents.

So here is another one that has no meaning but in a sense is an effort to politically cover yourself so you can make believe that, indeed, you protected a group of constituents that are important to you.

I think if we had another day my prediction would be laid up to; there would be an amendment on every part of the Btu taxes. You would be exempting, I do not know, the public buildings and municipalities, and then we would have one exempting heavy manufacturing where their competitors are using natural gas. We would not want them to be in a discriminatory position.

So however the Senate wants to vote on it, I think I have stated as best I can what it means and what it does not mean and what it is in terms of seeking some kind of political cover.

If I have any time remaining, I yield it to Senator CONRAD.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. Mr. CONRAD.

Mr. CONRAD. Thank you, Mr. Chairman.

Mr. PRESIDING OFFICER. Mr. CONRAD.

Mr. CONRAD. I thank the Chair and I thank my colleague from New Mexico.

As a representative from an agricultural State, by some measures the most agricultural State in the Nation, agriculture is facing a triple whammy. Agriculture has been in the basic farm programs, cuts which we have just learned from studies that were done at Texas A&M University, when applied to a specific farm in my State of North Dakota—in fact two specific farms—would reduce farm income 28 percent in one case and 37 percent in the other case.

These are not modest cuts. These are not insignificant reductions. That does deep and dramatic damage to the underlying economy of a State like mine. And this is before any Btu tax is imposed. It is before cuts in the REA program are imposed.

Madam President and my colleagues, this is something we have to pay attention to. Rural America has been hit by a decade of low farm income. In fact, the decade of the 1980's is the lowest period of profit in modern times. Any decade since they started keeping records it was the early 1900's.

That is the backdrop. We have a projection that farm income before any cuts, before the imposition of a Btu tax, before REA cuts, is going to decline each and every year of the last farm bill.

So, Madam President, the proposal by the Senator from Montana, the sense-of-the-Senate resolution, is something that deserves our support. The health of the agricultural part of this economy demands our attention because it is central to the economic health of the country.

Madam President, I thank the Chair for this time and yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. I yield myself the remaining time.

Madam President, the points we make in this resolution were very well summarized by the Senator from North Dakota. I might say that the committee of jurisdiction, the Finance Committee, is the committee that very much understands this problem. The Senator from Arkansas, the Senator from North Dakota, and Senator DASCHLE, the Senator from South Dakota, are all members of that committee as well as myself, and we very much plan to deal with this on a fair, even-handed basis.

I understand some of the frustrations of the ranking member of the Budget Committee when sense-of-the-Senate resolutions come up. I think we all must remind ourselves, however, that this is part of the process. Sense-of-the-Senate resolutions are a good way for the Senate to express its view on the budget, express its view to the various authorizing committees how the authorizing committees should deal with these matters. They are not binding, that is true, but they are a sense of where the Senate is, a statement of the Senate.

There will be many, many opportunities in many different circumstances, different hearings, and so forth, to finally forge and fashion an economic package this year. It is not only the budget resolution. It is also going to be the stimulus package. It is the appropriations bills; the reconciliation bill this summer. It is all part of a process. I understand the Senator's frustration, but I think he also recognizes that this is a part of the process as we achieve a final solution at the end of this year is more in accordance with the views of Americans in all parts of the country. Madam President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GRASSLEY. Mr. President, my opposition to the Btu tax is well-documented, but some points need to be repeated. The Btu tax is regressive, inflationary, and promises—promises—to stall our recovery. That is particularly true of its impact on agriculture.

Bill Clinton did not make agriculture very many promises in the recent campaign. I guess we can be thankful for that. We are only 6 weeks into his administration, and already promise limbo is pretty crowded.

Bruce Reed, a senior advisor to President Clinton, stated that the energy tax would not "result in an excessive burden on rural America." The White House may be well-intentioned, but it is clear that the administration proposed the Btu tax without any regard for the livelihood of this Nation's farmers and ranchers.

Just a few numbers, Mr. President: A Btu tax would directly cost a typical 430-acre Midwest grain farm $800 a year. The indirect costs—that is, costs that have been passed on to the farmer—would be another $800 a year. Transportation costs—having farm inputs delivered and moving produce/livestock to market—would cost extra. Taking more than $1,600 off the farmer's bottom line would put many farmers in the red, and out of business.

Other businesses may grudgingly accept such a tax, well aware that they can pass these costs onto consumers. But farmers are price takers, not price setters; farmers cannot tack on another 10 cents a bushel to the selling price of corn; they cannot expect a premium at the market for their hogs to pass on the higher costs that they themselves absorbed due to this tax. Thus, farmers pay both ways. It has been said that farmers pay retail, sell wholesale, and pay freight both ways. That is certainly true with this tax proposal.

And farmers are not the only ones who will be hurt by this tax. Six in ten Iowa jobs relate to agriculture. Thus, Iowa's economy would be hit hard; the same for many other States. Moreover, rural communities depend on their cars to travel to off-farm jobs, and doctors, grocers, and other merchants often located at great distance. Iowans use 500 gallons of gas a year per capita, while a New Yorker uses about half of that. Under a Btu tax, Iowans would pay twice as much as New Yorkers. Where is the fairness in that?

Though agriculture comprises only 1.8 percent of domestic spending, it will shoulder 6.4 percent of the cuts proposed by President Clinton over the next 4 years. Since 1982, agriculture has been a prominent part of every deficit reduction package. Farm program spending has been cut by 50 percent since 1986, while many areas of Federal spending have gone untouched.

Mr. President, despite being the productive envy of the agricultural world, and that shadowing the industry is trade, the Clinton administration in-
sists that agriculture is the goose that laid the golden egg. We all know how that fairy tale ended, and it appears, viewing the Clinton tax package in its entirety, that the same fate awaits agriculture.

Farmers in this country have survived grain embargoes, high interest rates, inflation, droughts, floods, poor crop prices, and unfair foreign subsidies, just about every calamity known to man, including Washington. God helping us, we farmers may—I repeat, may—survive the Clinton administration and this package of taxes.

Mr. BAUCUS. I yield back the remainder of my time.

The PRESIDING OFFICER. The amendment will be set aside, and the vote will occur following disposition of the Krueger amendment No. 256.

Under the previous order, the Senator from Arizona is to be recognized for an amendment.

The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Madam President, I am asked to detain the Senator from Arizona is on his way to the floor at the present time. I will simply suggest the absence of a quorum in anticipation of his timely arrival, charging it equally against both sides.

Mr. DOMENICI. Madam President, before we do that, may I ask the Senator a question and make an observation.

Mr. SASSER. Yes.

Mr. DOMENICI. I have no difficulty in waiting for a while, but I do think it is fair to tell the Senate that we are on this schedule because we are hopeful, if we stay on it, all of the freestanding amendments that are not going to get debated will have an opportunity to get voted on and we will finish by tomorrow at 12:30 noon. To be fair, we clearly have to stay more or less to the schedule for these debateable amendments or we would be cutting a lot of Senators out of a vote.

How much time does the Senator think we ought to take before we go to the next amendment?

Mr. SASSER. I suggest to my friend from New Mexico that we take 7 or 8 minutes.

Mr. DOMENICI. Could we take a temporary recess for 7 minutes?

Mr. SASSER. Why not. I say to my friend from New Mexico, let us have this short quorum call to see where we are.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, a quorum call is ordered, the time fixed being divided.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SASSER. Madam President, the Senator from Arizona has arrived. His amendment is next in order under the unanimous-consent agreement.

The PRESIDING OFFICER. Under the previous order, the Senator recognizes the Senator from Arizona.

AMENDMENT NO. 226
(Purpose: To require that a deficit reduction account be established)

Mr. DECONCINI. Madam President, I thank the Senator from Arizona.

I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report Amendment No. 226.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI] proposes an amendment numbered 226.

Mr. DECONCINI. Madam 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 resolution, add the following:

SEC. 2. DEFICIT REDUCTION ACCOUNT.

(a) LEGISLATION.—It is assumed that as a procedure appropriate to carry out the purposes of the Congressional Budget and Impoundment Act of 1974 (within the meaning of section 301(b)(4) of such Act), the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives would, as an integral part of the changes in law reported pursuant to section 7(b)(7) of this concurrent resolution, report legislation to:

(1) establish a separate account in the Treasury into which 100 percent of the amounts by which the aggregate levels of Federal revenue should be increased as set forth in section 21(A)(ii) of this resolution as well as contributions resulting from the changes in law reported pursuant to section 7(b)(7) of this concurrent resolution would be deposited;

(2) ensure that any revenues deposited in such account would not be available for appropriation; and

(3) provide that any such revenues deposited in such account would be used to retire outstanding debt obligations of the United States Government.

(b) POINT OF ORDER.—Legislation reported pursuant to subsection (a) shall not be considered to be extraneous for purposes of section 313 of the Congressional Budget Act of 1974.

Mr. DECONCINI. Madam President, the amendment I offer today I offer for the additional $295 billion in revenues required to retire our national debt. The American people to answer the call to arms.

Mr. DECONCINI. The American people deserve to see this idea created today. If the deficit reduction fund cannot be crafted in substantive, meaningful way then I will be the first to say so. But I believe it can.

If a deficit trust fund cannot be crafted in a substantive, meaningful way then I will be the first to say so. But I believe, however, that if we are going to ask the American people to pay more in taxes than we should at the very least do everything in our power to ensure that any new revenues be used for deficit reduction.

THE SPECIFICS

President Clinton’s comprehensive 5-year proposal reduces the Federal deficit by a total of $502 billion. To accomplish this over the next 5 years, the plan calls for a $332 billion reduction in Federal spending with an increase of $170 billion in new taxes.

Thus, Madam President, by creating a deficit trust fund we can ensure that the additional $295 billion in revenues would be used exactly for what they are intended—deficit reduction not additional Government spending.

PRESIDENT CLINTON’S CALL TO ARMS

I believe President Clinton has submitted an honest proposal—one that tackles the tough choices of both spending reduction as well as increased tax revenues. I would argue that it is the most honest budget proposal submitted by a President since I first came to the Senate in 1977.

President Clinton has asked the American people to answer the call to arms for shared sacrifice in combating our national debt. The American people have responded in kind indicating outstanding debt obligation of the U.S. Government. None—I repeat none—of the revenues deposited in this account would be available for appropriations for new or additional spending programs.

Madam President, this amendment directs the Senate Finance Committee and the Committee on Ways and Means to report legislation establishing this account in the Department of Treasury.

I included this provision so that the appropriate committees could use their expertise to ensure that the deficit trust fund would not become another gimmick. With their expertise and leadership I am convinced that such an account can be established which will ensure that our tax dollars would be used for what they were intended deficit reduction.

This is not a new idea. It is not even a new proposal. In fact, the amendment I offer today is almost identical to language that was included in the 1988 budget resolution. Unfortunately, as before, this amendment was neither heard by the Senate Finance Committee nor the Committee on Ways and Means reported legislation which would have created a deficit trust fund.

This proposal has merit. I believe the American people deserve to see this idea created today. If the deficit reduction fund cannot be crafted in substantive, meaningful way then I will be the first to say so. But I believe it can.

If a deficit trust fund cannot be crafted in a substantive, meaningful way then I will be the first to say so. But I believe, however, that if we are going to ask the American people to pay more in taxes than we should at the very least do everything in our power to ensure that any new revenues be used for deficit reduction.
time and time again that they are willing to sacrifice for the future of their country and their children's futures if we are serious about tackling the deficit monster.

Madam President, I would offer one comment, and that is that although the American people's willingness to accept the notion that there will no longer be the proverbial free lunch. In my home State of Arizona, I have spoken to many people who are willing to pay more now to ensure a better future but they want to ensure that increased taxes are directed at deficit reduction.

CONCLUSION

The American people understand that the current budgetary system has built in loopholes. They also understand that these loopholes are large enough to drive a truck through. Clearly, you cannot create a $4 trillion national debt without these loopholes.

I think especially strongly about this because we had an experience in Wisconsin that is not completely different from what could happen here. In Wisconsin, a few years ago, our voters approved a constitutional amendment that for the first time would allow us to have a lottery. But the lottery dollars were supposed to be used only for property tax relief, not for general State spending. Everybody in the public understood that. But somehow the folks at our State Capitol, and our Governor, did not. As a result, some $200 million that was supposed to go to direct property tax relief was spirited away for general State spending.

I had the opportunity as a State senator, and on occasion as the Governor of the State, to bring a lawsuit to require that those proceeds not be used for general State spending but be used to give the taxpayers relief. Fortunately, we won that lawsuit and were able to stop the practice of diverting lottery proceeds into general expenditures.

The cry in Wisconsin at that time was, "Where is our lottery money?" everywhere we went.

I want to see happen here is that we do not have a cry a few years from now here in the United States that says "Where is our deficit reduction money?" That is what is going to happen if we do not have the kind of approach the Senator from Arizona has in his amendment.

The amendment is consistent with the notion that we should include an identical proposal in the fiscal year 1988 budget resolution. We were foolish not to follow our own advice. We owe ourselves, our constituents, and our country a second chance.

Mr. FEINGOLD. Mr. President, I rise to commend the Senator from Arizona for this amendment. I think it is an important addition to the budget resolution. I think it is important because we need to restore public confidence, especially when it comes to tax increases that are proposed in the budget resolution.

I think some of these revenue increases are going to be necessary to solve the deficit problem. But the Senator from Arizona is absolutely right. We have to show the public that we can actually use these dollars to reduce the Federal deficit.

In the budget resolution as the Senator from Arizona pointed out, sometimes you need new approaches. We have never seen a new revenue proposition in 20 years. We need new approaches. We have never seen a new program. Whether it be for defense, the WIC program, or whatever we think is important, that is an identifiable tracing of the dollars that are going to be raised in taxes, so the American people are going to know where it is their dollar is going. It is not going to go for some new program. It is going to retire the debt. That still leaves us and the administration responsible for reducing expenditures.

I hope the Senator from New Mexico will at least let this proposal have a chance to breathe. Maybe he would be surprised if we had a deficit reduction fund. I thank the Chair, and I thank the Senator from Tennessee, the chairman, for permitting me to move on this effort here for the purpose of including it in this budget agreement.
proaches here. I am ready to vote on the amendment.

Mr. SASSER. Mr. President, has all time been used?

The PRESIDING OFFICER. (Mr. FEINGOLD). All time has expired.

Is there a request for the yeas and nays?

The amendment is laid aside. The vote will occur following the disposition of the Baucus amendment No. 257.

Mr. SASSER. Parliamentary inquiry, Mr. President. I thought under the unanimous-consent request that only recorded votes would be delayed. I was under the impression that no one was requesting a recorded vote on this particular amendment. The proponent is not, and I am not.

The PRESIDING OFFICER. The Senator is correct. The question will occur on the amendment then.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have no objection. I assume we can voice vote the amendment.

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

The amendment (No. 229) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, I have been advised that the Senator from Massachusetts [Mr. KENNEDY] will not be offering his amendment on student loans, as under the previous order.

Accordingly, I ask unanimous consent that the Kennedy amendment be removed from the list of amendments provided for under the previous order.

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

Mr. SASSER. Mr. President, pursuant to the unanimous consent order, the Dole substitute amendment is next in order.

Mr. DOMENICI. Mr. President, I say to my friend from Tennessee, this came rather quickly, because in looking at the list, our Republican leader would have assumed we still have another 10 minutes or so. I wonder if we can put in a quorum call while I go advise him that his leadership amendment is up next.

Mr. SASSER. I suggest the absence of a quorum and request that it be charged equally against both sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Under the previous order the Republican leader is recognized to offer an amendment.

AMENDMENT NO. 256

(Purpose: To provide for a budget that would reduce the deficit from $312.9 billion in fiscal year 1993 to $122.9 billion in fiscal year 1998 and cause the deficit to continue to fall thereafter, without raising taxes on the American people.)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of myself, Senator DOMENICI, Senator PACKWOOD, Senator SHELBY, Senator ROTH, Senator GRAMM, Senator GON- TON, Senator HELMS and each of our Republican Senators BENNETT, COVERDELL, FAIRCLOTH, GREGG, and KEMPTHORNE, and others of my col­ leagues, and ask for its immediate con­ sideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], (for himself, Mr. ROTH, Mr. GRAMM, Mr. GREGG, Mr. BENNETT, Mr. COVERDELL, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. PACKWOOD, Mr. SHELBY, Mr. NICKLES, Mr. SIMPSON, Mr. COCHRAN, Mr. LOTT, Mr. BOND, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. D'AMATO, Mr. DANFORTH, Mr. DURENBERGER, Mr. Gorton, Mr. GRASSLEY, Mr. HELMS, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. McCONNELL, Mr. MUKOWSKI, Mr. PHIFSSLER, Mr. STEVENS, Mr. THURMOND, Mr. WALDROP, and Mr. WYDEN) proposes an amendment numbered 256.

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

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

(The text of the amendment is printed under "Amend­ ments Submitted.")

Mr. DOLE. Mr. President, I under­ stand there are 2 hours on the amend­ ment equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I guess we lost some time here on the quorum call.

The PRESIDING OFFICER. Time was not charged on the quorum call.

Mr. DOLE. Mr. President, I have sent this amendment to the desk and we now have 35 cosponsors.

Over the past several weeks, there has been a lot of talk about Republican alternatives, whether or not there was a Republican alternative; if so, what it was. We had a number of Republican amendments, as I understand, the 34 amendments offered in the Budget Control Act.

So I think it is fairly clear to those who watch the process closely, that there have been a lot of Republican input into the process, just as when we controlled the Senate, there was a lot of Democratic input in the process. I would say that it is more difficult to get out the message when you are in the minority and particularly more dif­ ficult when the other party, in this case the Democrats, control the White House.

Whether we understand it or not, the President of the United States, or he or she be a Democrat or Repub­ lican, is going to get instant coverage on almost anything by having a press conference or making a statement. That is the message that many times the American people get.

I do not fault that system. That is the way it works. I do not think it is going to change very quickly.

I just suggest to those who are con­ cerned about what we are actually doing here, those who want to see what is in the package, those who want to see the details, and those who wish to understand how much taxes are in President Clinton's package, how much net savings, nondefense savings, how much defense savings, and how many billion dollars in fees, I think perhaps we would like to make that clear for we can, in the short time that we have.

I think it is significant that the co­ sponsors of this amendment are the five freshmen Members of the U.S. Sen­ ate on this side of the aisle. They have just been elected. Some are brand new in politics. They have been through the process, in fact, in one case four dif­ ferent elections. I think the Senator from Georgia, before he got here, had five elections last year, and he under­ stands very well what the people of Georgia have been telling him. I think the same is true of the other freshmen colleagues on both sides of the aisle.

Unless I miss my guess, and I do not think the people in Kansas are much different than people in any other State, the American people do not have much faith in the Congress of the United States. They do not have a great deal of faith in the executive branch in our Government.

If you ask the average Americans, whether they be in Kansas, Wisconsin, Tennessee, New Mexico, or anywhere else, what they will say: You ought to cut spending first, because we believe, if you increase taxes someone is going to spend the money and you are never going to get around to cutting spending, and the taxpayers are going to be the losers, and they know that, because there is a lot of precedent for it. It has happened over the past years when Democrats, Republicans, whoever, it might be, were in control.

So I just suggest what we are going to try to do in this time we have, is to point out there is more than one way you can reduce the deficit. You can take the approach adopted by Presi­ dent Clinton, and I applaud him for ad­ dressing the deficit. I just do not like his plan. You can take the Clinton ap­ proach and just raise taxes. Or you can take the Republican approach and con-
Mr. President, I am not going to go through all of the details. Senator DOMENICI will do that here in a minute. There are a number of Senators who contributed to this plan who can speak to the details.

But, I would like to make one point. If we learned anything over the weekend, it is that Russia and the world is still a dangerous place in which to live; that we are the only superpower economically and militarily and we have a lot of responsibility, which we do not want necessarily.

A lot of Americans do not want this responsibility, but who else is going to share it? There is not anybody else to share it.

So we have to carry that burden and responsibility, because we are talking about democracy in the former Soviet Union and Eastern Europe and we have a lot of things to be concerned about when we think about the future; look to our children and our grandchildren, what their futures may be if we live in a world of peace.

On top of all of this, all the danger in the world, President Clinton wants to cut defense another $112 billion on top of the $60 billion already advocated and already cut by President Bush. In fact, it was about $75 billion.

So I just suggest we are going too far on defense. We ought to slow down. We ought to cut defense, yes, but we should not gut defense.

Only 2 percent of the savings in their plan come from nondefense Government programs. Two-thirds of the Government is being asked to contribute a grand total of $7 billion over 5 years.

Now, that is a lot of money, but in the range of things we are talking, it is not a drop in the bucket. It is about a pinch of salt, and that is about all you going to get.

Mr. President, I quote my friend from New York, the distinguished chairman of the Finance Committee:

"It will be the largest tax increase in the history of public finance in the United States, or anywhere else in the world."

That is a pretty big tax increase. It calls for $3.86 in new taxes and fees for every dollar of spending cuts. That is not shared sacrifice.

So for all the reasons I can think of, and I think the people in my State of Kansas, the farmer, the truck driver, the nurse, the senior citizen, and all those people out there we are supposed to be concerned about, this is actually dealing with the deficit. This is going to make their lives better. It is going to open up opportunities, because the economy is going to grow if you cut spending, not if you raise taxes.

And, as our colleague, Senator PACKWOOD from Oregon, has pointed out time after time after time, never in the history of the world has any country that has raised taxes stimulated the economy. And if President Clinton succeeds, he is going to have to bring in new revenue for every two dollars of spending cuts. That is not shared sacrifice.

Mr. President, the difference between our bipartisan proposal and the President's tax and spend plan could not be more clear. If you listen for 5 minutes, you would understand the difference.

One is all taxes, no taxes in this package, and one getting cuts. That message ought to be fairly clear.

And I doubt that 10 percent of the American people understand what is in President Clinton's package. They think it is deficit reduction. They are for deficit reduction, so some are for the package not knowing it contains $295 billion in new taxes over 5 years and $178 billion in increased fees.

Our plan would cut the deficit from $319 billion this year to $168.4 billion by 1998. Because we are making real cuts, our plan would continue moving the deficit toward balance in the outyears. By contrast, the President's plan, as modified by the Senate Democrats, reduces the deficit to $213.5 billion in 1998, if you get all the things they say you are going to get—and that is very doubtful.

Because their plan fails to control Federal spending, outyear deficits will continue to rise. That is not what the American people are hearing from the White House, and it is not what the American people expect from us—the Congress, the President, and everybody else.

Mr. President, I am not going to go through all of the details. Senator DOMENICI will do that here in a minute. There are a number of Senators who contributed to this plan who can speak to the details.

But, I would like to make one point. If we learned anything over the weekend, it is that Russia and the world is still a dangerous place in which to live; that we are the only superpower economically and militarily and we have a lot of responsibility, which we do not want necessarily.

A lot of Americans do not want this responsibility, but who else is going to share it? There is not anybody else to share it.

So we have to carry that burden and responsibility, because we are talking about democracy in the former Soviet Union and Eastern Europe and we have a lot of things to be concerned about when we think about the future; look to our children and our grandchildren, what their futures may be if we live in a world of peace.

On top of all of this, all the danger in the world, President Clinton wants to cut defense another $112 billion on top of the $60 billion already advocated and already cut by President Bush. In fact, it was about $75 billion.

So I just suggest we are going too far on defense. We ought to slow down. We ought to cut defense, yes, but we should not gut defense.

Only 2 percent of the savings in their plan come from nondefense Government programs. Two-thirds of the Government is being asked to contribute a grand total of $7 billion over 5 years.

Now, that is a lot of money, but in the range of things we are talking, it is not a drop in the bucket. It is about a pinch of salt, and that is about all you going to get.

Mr. President, I quote my friend from New York, the distinguished chairman of the Finance Committee:

"It will be the largest tax increase in the history of public finance in the United States, or anywhere else in the world."

That is a pretty big tax increase. It calls for $3.86 in new taxes and fees for every dollar of spending cuts. That is not shared sacrifice.

So for all the reasons I can think of, and I think the people in my State of Kansas, the farmer, the truck driver, the nurse, the senior citizen, and all those people out there we are supposed to be concerned about, this is actually dealing with the deficit. This is going to make their lives better. It is going to open up opportunities, because the economy is going to grow if you cut spending, not if you raise taxes.

And, as our colleague, Senator PACKWOOD from Oregon, has pointed out time after time after time, never in the history of the world has any country that has raised taxes stimulated the economy. And if President Clinton succeeds, he is going to have to bring in new revenue for every two dollars of spending cuts. That is not shared sacrifice.

Mr. President, I quote the people in my State of Kansas, the farmer, the truck driver, the nurse, the senior citizen, and all those people out there we are supposed to be concerned about, this is actually dealing with the deficit. This is going to make their lives better. It is going to open up opportunities, because the economy is going to grow if you cut spending, not if you raise taxes.
thing real on the spending side of this budget. So I will reserve time for myself later on, but I want to now yield to—

which of our freshman Senators was being addressed?

Mr. COVERDELL. That would be fine.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia for 5 minutes.

Mr. COVERDELL. Mr. President, I appreciate the opportunity that our leadership has given to the new Senators to participate in this Republican alternative proposal. I am not on the Budget Committee. I am only 75 days from the field, so to speak. But I do bring, I believe, a perspective and observation that is important, coming so fresh from the electorate, to this debate between what is now two plans.

We have the administration's proposal, and we have the Republican alternative.

We have heard a great deal about the so-called Clinton economic plan. But, in the final analysis, every concept, every piece of legislation, each idea, comes down to a core, a trunk, so to speak, the fundamental piece. When you strip away all the glitter and all the words, there is that single heartbeat and soul of the idea.

At the heart of the President's proposal is the largest tax increase in American history; in the neighborhood of $300 billion. The President's plan envisions enlargement of the Federal Government, an era of new spending, historic tax increases, and historic spending.

As we heard throughout the campaign and during the inaugural festivities, President Clinton promised us that his plan would be centered on spending cuts. A close look at the plan reveals that nondefense cuts have all but disappeared to a $7 billion figure that does not occur until 1997, beyond even the next Presidential campaign. The heart of President Clinton's plan is higher taxes, more spending and minimal spending cuts.

Now comes the Republican alternative. What is its core? Where is its center? Where is its heartbeat? His spending cuts, reducing the size of Federal expenditures, putting reins and throttles on the growth of the Federal Government. It envisions no tax increase, no broad new spending and no expansion of the Federal Government. It is driven by a concept of restraint.

What is the result of this clash of philosophy and ideas? On the one hand you have a firm belief that America is better off when less is spent on government. On the other hand you have a firm belief that America is better off when more is spent on government. Which of our citizens do you think is better off?

Mr. President, the people of Georgia have told me repeatedly, "Cut spending first, don't raise taxes." This is precisely what the Republican alternative seeks to do, and I urge my colleagues to support this proposal.

Thank you, Mr. President.

Mr. DOMENICI. I am sorry, but I cannot do that. We have run out of time.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield 3 minutes to Senator New Hampshire.

Mr. GREGG. Mr. President, I rise in support of this substitute which has been put forth by the Republican leadership here in the Senate. It is an excellent substitute. It addresses the core issues which I think divide the two parties, and which I believe the American people have asked be addressed, which is that we replace the Clinton plan, or the modified Clinton plan, or whatever you wish to call it. In fact what you wish to call it, I think, can be subject to the same debate as the question of what is the Crazy Eddie plan, because to a great extent it has a lot of touches of Crazy Eddie, who is a fellow we are all looking for today who ran a bit of a hoax on the American people out in New Jersey.

The Clinton plan has that same sort of aspect. Because it said, if I recall, that there will be spending cuts where there are not spending cuts. It said there will be no taxes on the middle class. Well, it has taxes on the middle class, substantial taxes on the middle class in New England in the area of the Btu tax. And of course you have the Social Security tax in there. And it claimed that the new spending would go for investment, whatever that means in the way of Federal terms.

Actually, when you look at these new spending programs, look at the supplements, they are talking about, they have spending in there for swimming pools, they have spending in there for lighting in some States, they have spending in there for new atlases for the fish and game folks, and a lot of other programs that are really investment in votes, not investment in this country. We need to replace that plan I think is appropriate. Let us replace it with something the American people want. What the American people want is for us to address the deficit, not by hitting them up with a $300 billion tax increase that will cause the American people to cut the spending side of the ledger. What has been brought forward by the Republican leader, Mr. Dole, is a program that accomplishes that. It represents a freeze on discretionary spending. It puts in place a spending restraint on entitlements. And it results in elimination of the new taxes which the President has proposed in his budget.

It gets to the same deficit reduction over the 5-year period, producing almost $450 billion of deficit reduction. But it does it the way I think the American people want it to be done. It does it through spending restraint. It does not allow the Government to expand. It does not allow the Government to add $124 billion of new spending but rather limits the tax burden on the American people.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time? The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield 3 minutes to Senator Idaho for 3 minutes.

Mr. KEMPTHORNE. Mr. President, we have all been sent here to be a very loud and clear voice on behalf of the people who sent us here, our constituents. The message I have heard from the people I represent is very clear and simple. It is: Cut spending first.

We have two very clear choices in this debate. The President's package which, as has been pointed out, is the largest tax increase in the history of this Nation. Or we have the Dole-Domenici amendment, of which I am proud to be an original cosponsor, which simply says we are going to cut spending, we are going to cut the size of the Federal Government, and we are not going to tax the American people in doing this.

We are a voice for the people we represent. I would like to just share with you, Mr. President, a letter I received which I think really reflects what so many of my constituents are saying.

Dear Senator Kemsphorne: Contrary to popular belief, we have tax to give. If this tax increase is allowed to take effect we will not be able to make ends meet. Our income has decreased by 25 percent. This is not an exaggeration. We will not make it.

We do not appreciate the use of the term "contribution." Please do not fall into this trap. We are not so ignorant that terminology can make us go along with another tax increase.
The proposal we have in front of us is a proposal that says we are not going to raise prices on our product. We are going to cut the cost of operating the business and see that gets taken care of because we found if we raise prices, people will react to that and do other things. We know that raising taxes does not automatically increase Federal revenue. It has been tried time and again. And we have seen the example in the business world with General Motors. We need to get the Toyota philosophy going in this circumstance, instead of the General Motors philosophy, because that is the business analogy that shows us that we can, indeed, make the right kinds of decisions.

It is awfully hard to cut. It is hard in a business to cut. You end up firing people who you hired who were your American people and the number of them has to be done if you are going to survive long term.

So, to the degree I have any expertise at all from the business world, I offer the same advice to those who are going here to raise more taxes on the American public. That is the message.

I yield the floor back to Senator DOMENICI.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Senator. I yield 3 minutes to Senator BENNETT.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah for 3 minutes.

Mr. BENNETT. Mr. President, the other evening I spoke in this Chamber about my business background and business approach to this circumstance. If I might continue that for just one thought here, I have earned my living on occasion as a consultant to sick businesses. I think it is perhaps not a stretch of the imagination to say that our Nation right now comes under the definition of being very much like a sick business. We have a lot of red ink on the bottom line.

If you want to solve the problem of a budget deficit, it is raising red ink, you have three choices. You can cut your expenses, you can increase your sales, or you can raise your prices. In this debate, putting it in that context, the President of the United States has told us that we need not cut our expenses. We can cut them in some places but we will turn around and spend it over in other places in an attempt to increase our sales—that is, make the economy grow more rapidly.

But the heart and soul of his approach has been to raise prices, or in Government terms that is raise taxes. Raising prices in a business is a good way to get money if your customers continue to buy. But if you raise prices the way General Motors did and Toyota comes in with something that is cheaper, you find yourself in the status that General Motors is in, where the whole objective is to force customers to do what they should have done in the first place, which was to cut their internal costs.

The proposal in front of us is a proposal that says we are not going to raise prices on our product. We are going to cut the cost of operating the business and see that gets taken care of because we found if we raise prices, people will react to that and do other things. We know that raising taxes does not automatically increase Federal revenue. It has been tried time and again. And we have seen the example in the business world with General Motors. We need to get the Toyota philosophy going in this circumstance, instead of the General Motors philosophy, because that is the business analogy that shows us that we can, indeed, make the right kinds of decisions.

It is awfully hard to cut. It is hard in a business to cut. You end up firing people who you hired who were your American people and the number of them has to be done if you are going to survive long term.

So, to the degree I have any expertise at all from the business world, I offer the same advice to those who are going here to raise more taxes on the American public. That is the message.

I yield the floor back to Senator DOMENICI.

Mr. DOMENICI. Mr. President, I have many Senators on my side who want to speak. I hope they will be patient. I cannot give them very much time since we are operating under time limits. I think at this point I better accept our leader's challenge and yield myself only 7 minutes.

Mr. President, it is pretty clear that the American people and a number of Senators are saying: Let us not increase taxes until we have cut spending. The problem is that there is no way to do that under President Clinton's budget because we are going to be cutting is defense, and everybody knows that is going to be cut. There are no net cuts anywhere else.

So if you are frustrated about how to delay the tax increases until you get real cuts in domestic programs, you cannot even delay the taxes under that budget because there are no net domestic cuts.

So what we have done is accept the challenge of the American people that before any new taxes are requested from them, we truly get the expenditures of the Federal Government under control. I call to everyone's attention that even under our proposal, which gets us more deficit reduction in 1996, $40 billion—or $40 billion more than the President's proposals and we do that with no new taxes. There is still a $189 billion deficit left in 1998 under our plan.

Under the President's proposal with all the new taxes, there is still a $216 billion deficit in 1998. So if the American people had been kind of suspicious that they are going to pay all these new taxes and not get the deficit under control, they are right.

Some people would give the Senate an opportunity to truly restrain the expenditures of our Government, cut expenditures and do that, and finalize it. Then, if somebody wants to look at taxes because they think we ought to do better than a $189 billion deficit in 5 years, at least the American people would absolutely know that we have cut, and cut permanently, the growing deficit.

How do we do that? I am going to try to be quick.

I notice some are wondering what do we do with immunization? Essentially, we increase immunization and WIC by $500 million. If you want to be technical, the last budget—the one that is before us now—only had $197 million available for WIC. It is not anywhere close to what the Senate wants to do.

Having said that, we are going to drop all the other President's add-ons. This will make it clear to the American people that the President intended to spend more money while he is taxing. He called it an investment. We just call it spending. We are going to eliminate his entire tax proposal. As I said, we are not going to do any taxes until we have cut spending and are spending on a path that is going downward.

We are going to eliminate the user fees from reconciliation and let the committees decide where they want to do those and how much, but not under the gun of deficit reduction.

In addition, we are going to accept all of the President's mandatory and discretionary cuts both in domestic and military. We propose to put $20 billion, not a huge amount, but something, back in defense. Among our worries on defense are we know you are going to lose more jobs than you ever lost in the General Motors philosophy. We think we ought to do better than a $189 billion deficit in 5 years, at least the American people would absolutely know that we have cut, and cut permanently, the growing deficit.

Then we come to an exciting proposal that we believe sooner or later the Senate of the United States Congress, and the President, will say we are going to adopt. Let me talk about the mandatory expenditures of our national Government without Social Security.

For anybody who is interested, this chart on health care and deficit is found in the President's February vision statement. The green line is what the President hopes we will save when we reform Medicare and Medicaid. This red line is the budget deficits under the President's proposal. But when you are finished with health reform, the President in his proposal says we are going to then cut health care and bring it down so that you have $118 billion in additional mandatory spending restraint because of health reform.

Our proposal says put a cap on Medicare and Medicaid, create deficit tar-
I yield to Senator Slade Gorton for 3 minutes, and then, thereafter, 3 minutes to Senator McCain.

The PRESIDING OFFICER. The Senator from Washington is recognized for 3 minutes.

Mr. GORTON. Mr. President, in his State of the Union Address, our eloquent and compelling President spoke of an opportunity to create in the United States a growth in jobs and in economic opportunity while at the same time we reduce the budget deficit which is a burden on all Americans, present and future. He devised the budget which is now before us, as a way in which to accomplish both of those goals.

The American people overwhelmingly agreed and continue to agree with those Presidential goals. The American people desperately and correctly wish this President, who after all is the only President, to succeed. They are, therefore, still reluctant to believe, even as more and more of them come to have confidence, but the budget will, in fact, accomplish neither goal.

We have no record of increased taxes increasing productivity and job opportunities and economic growth. We have no indication, even using his own figures, that the American budget will permanently reduce the deficit which so greatly plagues us.

We know that our history and that of all other free countries is that every increase in taxes is inevitably followed by an increase in spending, and that the only way to limit spending on the part of Government is to limit the tax revenues which it receives.

As a consequence, we are faced with a budget which is a failure on its own terms, and an even greater failure inevitably by the results of our economic activity. This alternative, offering greater budget deficit reduction with increasing tax cuts and an imbalance of opportunities for Americans, a reduction in their budget deficit and a return to the prosperity which all of us so greatly desire and for which all of us strive.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona for 3 minutes.

Mr. MCCAIN. I thank the Chair.

I wish to make one salient point to start that really crystallizes what this debate is all about. The Federal Government will spend more than $3 trillion during the next 5 years under the President's plan. However, his proposal will cut domestic programs by just $7 billion during that time. Simply stated, President Clinton is proposing to cut Federal spending by less than one-tenth of 1 percent.

Mr. President, I happened to be listening to the news on the radio this morning while I was riding into work and heard the President make a comment, and that was—I believe I paraphrase it correctly—the American people understand that in order to bring the deficit under control we have to have increases in revenues.

Mr. President, I would just point out that in the last 10 years, twice we have told the American people we were going to raise their taxes, in return for which we were going to reduce the deficit. In fact, the result has been exactly the opposite; spending has gone up, taxes went up, and the deficit went up to the point where the national debt is now over $4 trillion.

So to allege that increasing taxes will somehow reduce the deficit flies in the face of the dismal record Congress has had. In fact, Ross Perot said recently that giving the Congress more money to spend—which is what this President's proposal is all about—without a balanced budget amendment and a line-item veto is like giving a friend with a drinking problem a liquor store; they will only spend the money.

Mr. President, if next year at this time the deficit is less than it is today, I will, indeed, apologize to the President. If it is, then it will fly in the face of the last 10 years when we have promised the American people we will cut spending in return for raising your taxes, when in fact the opposite has been true and the debt is now well over $1 trillion.

Mr. President, I wish to discuss one aspect of this proposal that is important to me because of my background, and that is what we are going to do to Federal employees and the men and women in the military, most of whom earn less than $30,000 a year. It is an issue that has not been talked about. It is something that needs to be talked about. These are the men and women who served in sacrifice to their country and we show our thanks by freezing their pay. They have already experienced over the last 10 years as much as it can take and we are going to freeze their pay and the debt is now well over $1 trillion.

Mr. President, most of the men and women who work in the Federal Government make less than $30,000 a year, and we are going to freeze their pay. I say that is unconscionable. I think it is unacceptable. I hope my colleagues will vote in favor of the amendment that I will have which lifts the freeze on Federal employees and military pay proposed by President Clinton, and which will restore their fiscal year 1994 and future pay raises, as well as locality pay, to levels authorized under current law.

Mr. President, the American people do not think we need more spending. The American people do not think we need more taxes, especially to pay for more Government spending. The American people want us to cut spending and leave their taxes alone.

Mr. President, I yield back the remainder of my time.
The PRESIDING OFFICER (Mr. REID). The Senator's time has expired.

Mr. DOLE. Mr. President, I yield 3 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 3 minutes.

Mr. FAIRCLOTH. Mr. President, I rise in support of Senator DOLE's amendment to cut the deficit by cutting taxes, not by cutting programs. We are going to cut it, not by raising taxes. The choice before the Senate is simple. You either vote for change by passing the Dole amendment or you vote for a report of the 1990 budget agreement by voting for the Clinton tax increase.

The Clinton budget repeats the 1990 deal which raised taxes on the American people in the name of deficit reduction. We all know what happened. We got the tax increase, the deficit only went higher, and we extended the recession.

Mr. Clinton's budget raises taxes $295 billion, the largest increase in history. Mr. President, our distinguished colleague, the senior Senator from New York, and chairman of the Finance Committee, Senator MOYNIHAN, himself has conceded that the Clinton tax increase is the largest tax increase in our history. Instead of cutting spending, the Clinton budget also increases domestic spending $124 billion on top of $245 billion in spending increases already built into the budget.

Congress has balanced the budget one time in 32 years, but in 28 out of those 32 years Congress has increased taxes, usually in the name of reducing the deficit. None of these tax increases has reduced the deficit. Now the President wants to increase taxes again. Increasing taxes never reduces the deficit. Increasing taxes gives Congress the authority to use the increase for leverage for increased borrowing and spending.

What makes anyone think that the 29th tax increase is going to do any better job of reducing the deficit than the failed 28 before it? I do not believe it, and the American people do not believe it. There is no change in the Clinton budget. It is more of the same—more taxes, more spending, all cloaked in the rhetoric of change.

The Dole amendment represents true change, a freeze on domestic discretionary spending—for the first time ever, a reasonable limit on the growth rate of mandatory spending. No tax increase. Social Security is protected. If we pass the Clinton budget, the President's own figures show the deficit will be increasing after 5 years even with the largest tax increase in the history of the country.

With Nunn spending with the Dole budget, we will have a lower deficit in 5 years and no tax increase.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FAIRCLOTH. I ask 1 more minute.

Mr. DOMENICI. I cannot give the Senator 1 more minute.

I will give the Senator as close to half a minute. Mr. FAIRCLOTH. The Dole budget is real because the deficit reduction targets will be enforced with across-the-board cuts if Congress tries to weasel out of spending reductions.

There has been a lot of talk about fairness from the other side of the aisle about cutting, but when we put a $500 tax on the average family with the Btu tax, that is the most unfair tax that can be levied on anybody. The poor people pay more of it.

Raising taxes is not fair. Raising taxes costs jobs. It is common sense to cut spending, because Government cannot afford us rich.

I came to Washington to change things by cutting spending, so I plan to vote for the Dole amendment. I ask unanimous consent that a study by Paul Craig Roberts entitled "Now It's Blind Side Economics: The Clinton Plan," be printed in the RECORD.

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

(The Institute for Political Economy, March 1993)

NOW IT'S BLIND SIDE ECONOMICS: THE CLINTON PLAN (By Paul Craig Roberts)

President Bill Clinton's budget plan neither reduces deficits nor provides a stimulus to the economy. Moreover, the economic rationale for the plan is unknown and has not been explained. The tax increases (primarily on personal and corporate income and on energy) are substantial larger than the "fiscal stimulus" provided by the plan. In evaluated in terms of the Keynesian theory, the plan is contractionary. A supply-side evaluation leads to the same conclusion. The higher personal and corporate income tax rates would raise the cost of capital more than the limited investment incentives would lower it. The overall effect would be a stimulus to the private sector and contraction of the economy. My conclusion is that the claims being made for the plan are propagandistic and not real.

A growing body of figures published in President Clinton's budget plan, "A Vision of Change for America," which was released on February 17, 1993, show that the new president is headed for a redink record. According to the plan, $116 billion will be added to the national debt over the next four years. That is $183 billion more than Reagan's cumulative first-term deficit and $258 billion more than Reagan's second-term deficit. Clinton's plan is an astonishing failure, because it is an Economic Policy that was the solution to the national debt by raising taxes and cutting defense spending than Reagan did by cutting tax rates and raising defense expenditures. If Clintonomics is seriously evaluated, the whole case of Clintonomics is modeled on George Bush's 1990 budget plan. If Clinton's plan is enacted, it will be the fifth repetition of the tax-hike approach to deficit reduction that failed in 1981, 1982, 1983, 1985, and 1990.
more or less solve the problem. Three factors make it practical to freeze the overall spending level: the vast room for maneuver within the federal budget; the fact that the deficit is a $1.5 trillion budget that contains fraud, and, and declining defense expenditures.

Huge budget offers room for maneuver. If the American economy were as large as the country, it would be the fourth largest economy in the world. The federal budget is equal in size to the GDP of the United States, the Product of Canada and Latin America. The U.S. government spends every year more than the entire population of Great Britain or Italy—the fifth and sixth largest economies—can produce.

Every year in these economies, all sorts of adjustments take place. Investment flows from foreign capital. Its annual deficits do not approach in value the output of the Japanese economy. A budget freeze is the only plausible approach to deficit reduction. Once revenues stop growing, the deficit will not fall. The private sector will have to do the deficit reduction. The federal government will have to do the deficit reduction. The Democrats are embarrassed that the deficit reduction claimed by the plan is measured against projections of 

The plan's prospects: The contradictions in Clinton's plan and its heavy reliance on tax increases have caused some commentators to point out that the tax increases are not limited to the rich but are also rich and the middle class. The Congressional Budget Office showed that the plan actually fell $55 billion short of its own claims in spending cuts. The Democrats talk about taking $50 billion in spending cuts, and Senate Democrats talk about adding $50 billion in spending cuts. Perhaps some real spending cuts will become part of the plan. However, the talk about additional spending cuts may be a ploy designed to make the plan look less balanced. The Democrats are embarrassed that Clinton has so dramatically broken his vow not to raise taxes on the middle class. They are also fearful that the plan may hurt the economy, and they have realized that the plan does not reduce the budget deficit below Reagan's. The deficit reduction claimed by the plan is measured against projections of high baseline deficits in the future. No one knows how realistic these projections are or if they have been exaggerated in order to make Clinton's plan appear to be successful. For example, Clinton claims that in 1994 the national debt will have increased by $500 billion in spending cuts, and Senate Democrats talk about adding $50 billion in spending cuts. If Republicans resist the plan and point out its contradictions, it will lose support. The Democrats have trapped themselves with their anti-Reagan propaganda. They have committed themselves to "reversing the legacy of the Reagan years." Some people misinterpret this goal to be deficit reduction. However, what Clinton means is higher taxes and higher spending. Clinton's plan calls for the federal government to spend $9.6 trillion—nearly half of GDP. The highest annual budget is $1.475 trillion compared to Reagan's largest budget of $1.046 trillion. Modern economic studies show that federal spending as a share of GDP is not what is certain. By expanding government relative to the private economy, Clinton is adjusting the size of the Japanese economy. New Yorkers do not get equivalent services in exchange for the value of the services they receive from the mayor's office. Californians certainly do not receive services from the state equal in value to the national income of Argentina, and U.S. taxpayers get very little in exchange for turning over to Washington income that is completely unproductive. The government services that Americans receive certainly do not approach in value the output of the Japanese economy.
Mr. SASSER. Mr. President, the distinguished minority leader has presented an alternative here this afternoon to the President's economic plan.

Frankly, we have not had time to study the alternative. It was presented to us about an hour ago, and I have received it less than an hour ago, but one thing is clear, Mr. President. This alternative is no substitute for President Clinton's "Vision for Change in America." As I say, we only received it less than an hour ago, but one thing is clear, Mr. President. This alternative is no substitute for President Clinton's bold and far-reaching program, not only of deficit reduction but also of economic growth.

My friends on the other side of the aisle would have you believe that this is a genuine, bona fide, legislative alternative. But I say that is not the case. My colleagues on the other side of the aisle are simply trying to sell the same old snake oil that they have been trying to sell, and with some success, for the past 12 years—the illusion of budgetary restraint without any specific, clear, and productive goal.

It is all formulas, freezes, caps, all the same tired litany. But when you blow all the foam off of it, what you find is precisely why the American people said in November, we have had enough. It is time for a change.

Mr. DOMENICI. Will the Senator yield for a question at that point on my time?

Mr. SASSER. If the Senator will let me—I did not interrupt the Senator.

Mr. DOMENICI. Of course.

Mr. SASSER. I want to complete my remarks.

Let us scratch this Dole amendment a little bit and see what is under it.

I have the highest regard for the minority leader. He knows I have the greatest respect for him. We have worked together almost 17 years now. But when you look at this Dole amendment, what do you find? Does it contain any new ideas? None. Nothing new. The same, tired, old formulas we have seen year after year after year; the same, tired, worn-out, discredited budgetary proposals that quadrupled the national debt of this country in 12 years.

I say to my friends on the other side of the aisle, some are talking about what the sad state of affairs things are in. What got us in that sad state of affairs? It took this country 200 years to build up a national debt of less than $1 trillion. It took the President, three Presidents, three terms—two Reagan terms, one Bush term—to quadruple the national debt that it took us 200 years to build up for.

So are there any new ideas here? None. Is there anything positive, constructive? Well, they did, Mr. President, adopt President Clinton's proposal with regard to childhood immunization of $200 million. I want to congratulate them for adopting the President's proposal in that regard.

But when you get beyond that, is there anything different from the empty promises that left this country at the doorstep of economic ruin? You talk about the deficit, but you talk about doing it at the heart of this alternative amendment—entitlement caps. How many times have we been down the road of entitlement caps? We know what entitlement caps mean. It is a way of dodging the tough decisions of deciding what to do about the exploding Medicare and Medicaid costs, Mr. President. That is where 85 percent of the growth in entitlements is. When you add on Social Security, that is where 85 percent of the growth in entitlements is.

But how do they deal with this problem?

Well, we are just going to staff a cap on top of it, and walk off and leave it; say we are going to freeze, not doing anything. You know what that means. It means that as health care costs continue to grow, more of the burden of paying for it is pushed off on the elderly under Medicare.

Many of our new colleagues here on the other side were—we are pleased to have them here; fine people. But they were talking about what they saw as they campaigned across their States. I wonder if any of them had any Medicare recipients come up to them and say, Mr. Candidate, would you please put a cap on Medicare so the Government will pay less Medicare expense, and I will have to pay more? I want to pay more of my own cost of Medicare. I daresay that very few people told them that.

What else do we have in here? Preservation of the tax breaks for the wealthiest among us. Somehow our friends on the other side of the aisle always put that right at the forefront.

That is what they will fight to the last ditch for, preserving the tax breaks for the wealthy that were at the heart of the Reagan supply-side program in the 1980's.

After 12 years of neglecting the problems of this country, 12 years of failing to invest adequately in the education of our young people, 12 years of experiencing exploding criminality across the cities of this country—now spreading into the rural areas—12 years of seeing the health care system deteriorate to the point that now we have 37 million people who are working, and most of them do not have any health care coverage.

What is the response of our friends on the other side of the aisle with their alternative to the President's economic plan? They say, let us put a freeze on education. Let us put a freeze on funds for crime prevention and criminal justice. Let us put a cap, in essence a freeze, on the health care entitlements, on top of it, and walk off and leave it.

In other words, everything the American people want and voted for in November, they want to shove it into the deep freeze and walk off and leave it.

Mr. President, entitlement caps are just another name for political duck and cover. The critics of the plan given to us by the distinguished President of the United States—these critics do not want to be specific. They do not want to take out a blue pencil and cut the programs as the President did. He sat down there with his Director of Office of Management and Budget, his Cabinet, leading experts from around the country, some of the Members of this body, day after day, week after week, night after night, weekend after weekend, going over this budget and making the tough choices piece by piece by piece.

This President took out the blue pencil, and he cut programs. But our friends on the other side of the aisle would have you believe that this is a genuine, bona fide, legislative alternative. But our friends on the other side of the aisle are simply trying to sell the programs as the President did. He sat down there with his Director of Office of Management and Budget, his Cabinet, leading experts from around the country, some of the Members of this body, day after day, week after week, night after night, weekend after weekend, going over this budget and making the tough choices piece by piece by piece.

Mr. President, entitlement caps are just another name for political duck and cover. The critics of the plan given to us by the distinguished President of the United States—these critics do not want to be specific. They do not want to take out a blue pencil and cut the programs as the President did. He sat down there with his Director of Office of Management and Budget, his Cabinet, leading experts from around the country, some of the Members of this body, day after day, week after week, night after night, weekend after weekend, going over this budget and making the tough choices piece by piece by piece.

This President took out the blue pencil, and he cut programs. But our friends on the other side of the aisle would have you believe that this is a genuine, bona fide, legislative alternative. But our friends on the other side of the aisle are simply trying to sell the programs as the President did. He sat down there with his Director of Office of Management and Budget, his Cabinet, leading experts from around the country, some of the Members of this body, day after day, week after week, night after night, weekend after weekend, going over this budget and making the tough choices piece by piece by piece.

Mr. President, entitlement caps are just another name for political duck and cover. The critics of the plan given to us by the distinguished President of the United States—these critics do not want to be specific. They do not want to take out a blue pencil and cut the programs as the President did. He sat down there with his Director of Office of Management and Budget, his Cabinet, leading experts from around the country, some of the Members of this body, day after day, week after week, night after night, weekend after weekend, going over this budget and making the tough choices piece by piece by piece.
We are seeing hospitals that refuse to take Medicare patients and Medicaid patients.

And what the distinguished Senator from Maryland is saying is, if these entitlement caps go into place, you are going to see more and more doctors saying: We are not taking any Medicare patients here, because Medicare is not paying. More and more programs are going to say: No Medicare patients here, no Medicaid patients here; we want the patients that have Blue Cross/Blue Shield, high option, or we want the wealthy patients, and the old and the poor need not apply.

Mr. SARBANES. Mr. President, I have a college roommate who is a pediatrician in a small town of about 40,000 people. He is the only pediatrician in that town who will take the Medicaid payment. Under Medicaid, you are required, if you render certain services, to take the standard Medicaid fee. All of the other doctors have opted out of it, however, and they do not make any money out of it.

This dear friend of mine does not make any money out of it either, but he feels that someone has to serve this population, and he is prepared to try to do it. He actually ends up putting in very, very long hours because there is no one else in town. He and his son are the only two in town prepared to serve people on Medicaid. They practice together.

Now the entitlement cap is going to cut further, and my friend's experience is going to repeat itself in communities all across the country. You say "cap entitlements." What does it mean in real life, at the grassroots level? What does that mean? What does that represent? We know what it represents. It means people who need medical care are not going to get it. What are you going to do with them?

Mr. SASSER. I think the Senator from Maryland raises an excellent point. Mr. President. I am not alone in my concern for entitlement caps. Looking at it from a budgeteer's standpoint, they offer the illusion of large savings in Federal spending, but they purposely fail to specify where the cuts would fall.

Let me tell you what Dr. Alan Greenspan, the Chairman of the Federal Reserve Board, appointed by Ronald Reagan, Mr. SARBANES. And reappointed by George Bush.

Mr. SASSER. The Senator is quite correct.

Here is what Dr. Greenspan had to say about the Senate Budget Committees about entitlement caps when he was asked about them:

"Entitlement caps are wholly noncreditable" to the markets.

What did Dr. Robert Reischauer, the Director of the nonpartisan, bipartisan, highly respected Congressional Budget Office have to say about entitlement caps? He said:

They are, in a sense, a procedural promise to do something in the future, and a threat that if something isn't done, the sky will fall. And these have not been very successful in the past.

So any way you look at entitlement caps, from the point of view of the elderly Medicare beneficiaries, who will cut either here or with entitlements for their health care—and by the way, did you know that Medicare recipients today are paying more for health care than they did prior to the inception of Medicare? I just learned that fact the other day. And what are these entitlement caps going to do, they will simply transfer more of the costs, health care costs, to the old. And it will mean for the poor: Well, you are out of luck. We are going to treat you like they treat them in Nicaragua, or El Salvador, or Guatemala. You just do not get any health care. You are out of luck.

Mr. President, the savings from an entitlement cap are far from magic. They are difficult to achieve. We have seen caps offered here for years. Mr. Richard Darman, President Bush's Director of the Office of Management and Budget, offered entitlement caps many, many times, but they came to naught.

Mr. President, the problem is not entitlements. The problem is health care costs. I say to my colleagues. If you backed Medicare and Medicaid out of the entitlements we would all be saying: Look around, entitlements are making us money. This year, Social Security will have between a $60 billion and $70 billion surplus. It is Medicare and Medicaid and health care costs that are driving the entitlement deficit.

So what do you do? You approach this problem precisely the way the President is approaching it. He is working at this very moment, and his administration is working at this very moment, and coming up with a comprehensive plan to deal with the health care crisis in this country, including health care costs controls.

That is the way you deal with the problem of Medicare and Medicaid. You deal with health care costs, not by simply putting a cap on it, and when the costs flow out around that cap, tell the old folks: You know, it is your tough luck; you have to pay for it.

Comprehensive health care reform is the answer to the entitlement problem.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time remaining is 42 minutes.

Mr. SASSER. Just a moment or two, and I want to defer to the distinguished Senator from South Carolina.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time remaining is 42 minutes.

Mr. SASSER. Just a moment or two, and I want to defer to the distinguished Senator from South Carolina.

It is interesting to me, in looking at the plan that has been brought forward here today, to turn it further up on the top of the table, that they place a freeze on domestic discretionary spending. We are going to freeze education. We are going to freeze the criminal justice programs. We are going to freeze the job training programs. We are going to freeze the people programs across the board, which really amounts to a cut. And these are the programs that have really taken it on the chin during the past 12 years.

But where do they add money, Mr. President? Well, you guessed it: $20 billion more for the military. President Clinton is proposing spending $1.3 trillion over the next 5 years for the military of the United States of America. But that is not enough for our friends across the aisle. The military has to have $20 billion more.

Let us put this in perspective. President Clinton proposes to spend, in 1994, $277 billion for the military of this country. Bear in mind, $277 billion, after the Soviet Union has collapsed. Our chief adversary is no more. We are the sole remaining superpower on the face of the Earth. We are going to still spend $277 billion for military hardware, and a whole host of things, such as building new aircraft carriers, new airplanes, B-2 bombers, you name it.

Historically, what did we spend for the military? In 1975, under the Nixon-Ford administration, we spent $232 billion in constant dollars—I am not comparing apples and oranges; we are talking about constant dollars here—$232 billion in constant 1994 dollars in 1975, and $277 billion in constant dollars in 1995.

The question comes: Why should we be spending $45 billion more on the military in 1994 than we did in 1975, when Brezhnev reigned supreme in the Kremlin, and they stood on top of Lenin's tomb every May Day and watched the power of the Soviet military machine parade past? That is not there anymore.

But even $277 billion is not enough for our friends across the aisle. They are freezing education across the board, which really amounts to a cut. And these are the programs that have really taken it on the chin.

President, I do not want to keep my friend from South Carolina waiting. He was here earlier today.

As my colleagues know, he is the chairman emeritus of the Senate Budget Committee and now the chairman of the Senate Commerce Committee. He is knowledgeable and learned in matters of the budget. I yield to him such time as he may require.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I thank my distinguished chairman.

With the Senator from Tennessee's handling of the budget, it is a compliment. For several years, considering what we have been doing, it would have
Finally, President Clinton put that approach to bed last November. They have not awakened to the point. I really rejoice in a former Governor coming to Washington, having paid the bills down in Arkansas and realizing there is business to do in Government. There is a job to be done here.

This is embarrassing to me. At the top of this Dole-Domenici amendment, it says: Government, not the people, should be the first to sacrifice.

Come on, please, we have an agreement: We are the Government, and we just got elected. We might not want a term limitation, but they tried to limit mine. And we are glad to get back here, and we can call a spade a spade.

Specifically, I am willing to say what the Senators on the other side of the aisle said they do not want to say. I want to say the word "tax."

They said, "There is no record of increased taxes producing growth."

That is absolutely false. If you come from a State like Arkansas or South Carolina, you learn right quickly you are not going to get investment in growth until you pay your bills. So the first duty I had back in the 1950's was to increase taxes to get a AAA credit rating to finance a technical training program, and to go out and solicit new industry for my State. That is the way all State and local government operates, for instance, a city mayor trying to improve the downtown section to get rid of the crime and trying to improve the recreational facilities, the museums, the arts, and everything else, that make your viable city. Government does the same thing.

Yet we come up here in Washington like political puppets: We tax and spend, tax and spend. That is the whole idea. The only trouble is that crowd on the other side of the aisle for 12 years was using just that slogan to reelect themselves using the Government not for the interest and purposes and opportunity of the people, not for in­vesting in people. They ridiculed the word investment.

President Clinton has come to town and he says, yes, we are going to invest, and I salute him.

Incidentally, let us get right quickly at the budget before my time is up. They do agree. Let the record show they agree with President Clinton's mandatory and discretionary cuts of $201. You would have never gotten those kinds of cuts out of Stockman. You would have never gotten them out of Danman.

But what they do is restore $20 billion in defense, and I take it from the Senator from Arizona he wants to increase the pay for the military, as well. We are not increasing the pay of any other.

They pamper anything in uniform, but they ruthlessly freeze domestic discretionary accounts. The freeze of domestic discretionary is totally out of whole cloth, totally unrealistic. They know it. We had about four votes on it, had it even in the Budget Committee, a 5-year freeze on education. No way. We came up here to provide for education, to spend for education, for law enforcement, for Head Start, and for health care.

And as the distinguished Senator from Maryland has just pointed out, it is also absurd to talk about a cap on Medicare. What such a cap says to Americans is you better hurry up and get sick before the first of June because after June 1, if you get sick, we are out of money and you are not going to get Medicare.

Let us get realistic about the whole thing.

Eliminate, they say, highway construction. The highway users and gas purchasers have paid the taxes to build highways. That crowd over there said, "Oh, no, let us use the highway trust fund as a slush fund." That is what we have been doing. No new highways. They call that increased spending. They simply wasted the trust fund for its intended purpose.

I want to enact a value-added tax. The only point with which we agree is we are not going to solve the deficit problem—it is too big a problem—with this singular plan here. But with health cost containment here later this year and with additional revenues, we might be able to approach it.

I know my colleague, the former Governor of South Carolina, now the Secretary, went to the Department of Education and he was going to provide for new education programs. The first thing they gave him was a $2 billion bill for the shortfall in Pell grants. They have been using that as a slush fund.

We have been raiding and ravishing the Government in every respect—trust funds, Pell grant funds—anywhere we could find money. Political puppets on a string, 20-second bites, tax and spend. "Reelect me and don't do anything. The Government is the problem." They ought to be ashamed of themselves.

It was John Adama years ago, in the earliest of days of the Republic, who said "a declaration of hostility by a people to a Government produced by themselves and conducted by themselves is an insult."

Well, we just got elected here to do a job. And we know, the southern Governors, how to, by gosh, grow the economics in poor States through increased taxes and by paying the bills.

Ask the Black Caucus, who supported the increase in the sales tax here just a few years ago for the Education Improvement Act in South Carolina. That is the purpose of Government. The purpose is not to use all these trick charts and slogans and symbols just to reelect you, and do nothing.

That is why the highways are cracked, the bridges are falling, the
education plant is down, and the technology is behind.

In the entire population of the 18- to 24-year-old age group, 73 percent either cannot find a job, they are unemployed, or if they find a job they cannot find one that pays a living wage. That is a condemnation of this 12-year nonsense.

But that all come up with: President Clinton’s promises; Clinton’s promises. Do not get off that track.

Mr. Clinton did not get elected on any of his promises. He got elected on the promise that President Bush made. And President Bush promised to do nothing, to do absolutely nothing, about the economy; has not done anything in 4 years; neither did Reagan, except just cut back, cut back, cut back, and we are in a position of devastation now.

So President Clinton comes. Yes, he wants to get the Government going and he wants to invest. Yes, he wants to pay for it; that is, taxes. Yes. And while Inverted calls for cuts. At least they agreed to $241 billion in cuts. Yes, he wants to freeze your pay and my pay. Yes, he wants to streamline the Government. Yes, he has taken on, with his wife, the health care problem, and we are moving forward.

But the opposition says over and over again: Just taxes; scare the voter with a 20-second bite.

They do not talk about the reality that the largest tax is Federal interest costs quadrupling, the debt putting us in a downward spiral, where the debt is growing faster than the economy.

When President Bush came to office, he had a $5 trillion economy. When he left, he had $6 trillion. It grew by $1 trillion. But the debt grew from $2.5 trillion, when he came into office, to over $4 trillion, $4.1 trillion, $4.2 trillion.

So the debt is growing faster than the economy itself and we have got to rebuild, as President Clinton wants to do here.

Yes, he wants to invest. But it is not with really for nothing. He is trying to get us moving and to be responsible legislators up here. But others want to still play the political game: Reelect me; do not do anything; say I voted against all taxes.

Well, I hope we get some more taxes, because the only way we are going to cut spending for interest costs is to increase the regular taxes, like a value-added consumption tax. Mr. President, if we can put that in, maybe we can get on top of this runaway beast of interest costs taxes. Do not call them just interest costs. Call them interest taxes that continue to increase by spending and borrowing and borrowing and spending and raiding and turning trust funds into slush funds.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee has 22 minutes remaining and the Senator from New Mexico has 15½ minutes remaining.

Who yields time?

Mr. DOMENICI. I want to yield 4 minutes to Senator ROTH.

I wish to thank him for the comprehensive deficit package that he introduced. We cannot vote on everyone’s package, but his was invaluable in putting our spending on a close look at it will show that many of the principles have been incorporated in this. I thank him for that.

Mr. ROTH. Mr. President, I thank the distinguished Senator from New Mexico.

Mr. President, this budget substitute represents a defining moment—a time to determine in which direction we want to see the country move. The President’s budget represents higher taxes and bigger Government. Our budget alternative offers a different path—one which will result in real reductions in Government spending and the deficit, without the massive tax increases that increase the President’s plan. Ultimately, my concern rests not only with the size of Government, but the amount of taxes that the Federal Government will absorb from the rest of the economy.

Let there be no mistake, my biggest concern with the President’s budget is that it will stifle economic growth and job creation. Just as the economy is showing signs of strength, I am concerned that his budget will hurt growth, not help it. I am concerned that the tax increases in the President’s budget, like the tax increases in the 1980 budget agreement, will lead to slower economic growth, and a loss of jobs. Mr. President, you cannot tax America into prosperity.

The President’s energy tax alone will cost thousands of jobs and lead to higher rates of inflation. This one tax will impact virtually every family, every business, every State and local government—each and every one of us every day. The complete budget substitute offered today by Senators Dole, Domenici, and myself offers a clear alternative—no tax increases, but real deficit reduction through a reduction in Government spending.

Not only am I concerned that the increased taxes will stifle economic growth and lead to a loss of jobs, I am concerned that the new taxes in the President’s budget will simply lead to higher spending. As Budget Director Leon Panetta has admitted, there is no existing mechanism to ensure that increased taxes will go to reduce the deficit. It is impossible under current law to ensure that new taxes will not be spent. Nor does the administration want such a law. In fact, the President’s budget calls for more than $160 billion in new spending beyond the increases available to hold most programs harmless for inflation and an increasing number of beneficiaries.

Under the President’s budget, the insatiable appetite of the Congress for new spending has been handed a full tray of desserts. Until spending is reined in by tax increases, the economy will not grow. Some of our colleagues would have you believe that the deficit is due to a lack of Federal revenue. The fact is that revenue to the U.S. Treasury doubled between 1980 and 1990. Unfortunately, spending has not doubled during this period. History demonstrates that for every $1 in tax increases, the Congress spends $1.59. The President’s program is clearly leading down this path.

The President challenged us. He said that those who disagree with his proposal should present an alternative. Just last week, I presented an alternative budget which provided $568 billion in deficit reduction, primarily through spending cuts and no tax increases. I am pleased to see that the leadership alternative includes many of the recommendations included in my alternative. Like the plan that I proposed, this budget substitute adopts domestic and entitlement spending reductions beyond those proposed by the President. And like my alternative, this plan accomplishes significant deficit reduction without touching Social Security and without any increase in taxes.

If we are truly going to reduce the deficit, we must start by cutting Government spending. Unfortunately, the President’s program is clearly leading down this path.

...
I have heard my colleague from Tennessee say it was primarily Medicare and Medicaid. No question, Medicaid compounded at 29 percent last year and Medicare 13 percent. By the earned income tax credit went up last year by 55 percent; unemployment compensation last year by 47 percent; food stamps last year went up by 20 percent; AFDC went up by 15 percent. We need to cut entitlements. We need to cut spending. That is what this substitute will do.

Mr. President, I ask unanimous consent a series of Federal spending categories from the CBO be printed in the RECORD.

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

**FEDERAL SPENDING CATEGORIES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlays</th>
<th>Growth</th>
<th>Percent growth</th>
<th>Percent of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>619,045</td>
<td>0.3%</td>
<td>0.1%</td>
<td>7.8%</td>
</tr>
<tr>
<td>1992</td>
<td>627,576</td>
<td>1.4%</td>
<td>1.3%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

**FEDERAL SPENDING CATEGORIES—Continued**

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlays</th>
<th>Growth</th>
<th>Percent growth</th>
<th>Percent of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>636,007</td>
<td>1.4%</td>
<td>1.5%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

Mr. DOMENICI. I thank the Senator from Delaware for his kind remarks and very good explanation of where we are and where we are going to be if the Clinton package is adopted.

I yield 3 minutes to Senator NICKLES from Oklahoma.

The PRESIDENTIAL OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. NICKLES. I wish to compliment the Senator from Delaware for an outstanding statement. I hope people listened to that statement. I would also like to supplement the Senator from New Mexico, and Senator Dole, for putting together what I believe is a very good, thorough, and comprehensive package. It is also a clear contrast. This is as stark a contrast between two major philosophies and two budgets that we have had since I have been in the Senate—for years.

President Clinton's package is massive. It is a massive tax increase. Senator Roth referred to the 1990 tax increase. This is much more than the 1990 tax increase and in my opinion will do much more damage to the economy than the 1990 tax increase. It is going to put a lot of people out of work, probably hundreds of thousands of people out of work.

President Clinton's package relies almost exclusively on tax increases. The only spending cuts in his package really are defense cuts. Again, I think he is going to be putting a lot of people out of work with those defense cuts. I think he goes too far and he goes too fast.

If you look at his nondefense cuts, you see he only cuts spending by $7 billion. That is over a 5-year period. Yet he raises taxes to cut a sum of $265 billion, but I will mention his gross is $360 billion in new taxes and additional $18 billion in user fees.

So he relies exclusively on tax increases and cutting defense, while Senator Dole's budget relies exclusively on cutting spending.

I have heard my colleagues say this is draconian, we cannot afford it. But we are spending over $8.5 trillion in the next 5 years. Surely we can afford to cut spending by an amount of $460 billion.

It is really a question if you think we should be taking money out of taxpayers, as President Clinton's budget does, or we should be taking money away from Government. I think we are spending too much. So this, Senator Dole's substitute, is an excellent substitute. Some people said we could not and we should not be capping entitlements. I just disagree. The 1990 package did not cap entitlements. Frankly, if we look at the 1990 package, it was not successful in reducing the deficit.
The PRESIDING OFFICER. The time of the Senate has expired. Who yields time?

Mr. SASSER. Mr. President, the distinguished Senator from Oklahoma was stating a moment ago that unemployment compensation benefits went up last year. Of course they did. They went up last year in response to a terrible economy. They went up in response to the longest recession that this country has experienced since the Second World War. That is what this Clinton economic plan is all about: to try to get this economy moving again, to try to take these people off unemployment compensation and put them back into good, well paying jobs. On the subject of unemployment compensation, that is not just something that is paid out of the Federal Treasury by the taxpayers. There is a trust fund into which employers and working employees pay. That is called the unemployment compensation trust fund. When I last looked, that trust fund had a surplus. Maybe that surplus is depleted now, but it will be built back up later when the economy recovers.

Yes, there is no question about it, more people were on food stamps last year, the last year I looked, than at any time in the history of the United States. One out of every ten Americans, 10 percent of our fellow citizens, are on food stamps. And those who operate these food stamp offices tell us they are applying for food stamps like they have never seen before. These are people who were middle-level managers, people who held well paying jobs, people who worked for some of the blue chip corporations in this country who, because of the recession and the economic policies that this country has pursued for the past 12 years under Presidents of my friend's choice—they have lost their jobs. They are on food stamps. They are drawing unemployment compensation.

That is what the Clinton plan is trying to address. It is trying to put some energy into this economy and into an economic recovery.

How do our friends on the other side respond to that? First, after they have increased defense spending, or military spending, by $20 billion, after they protect the wealthiest taxpayers in the country who benefited greatly from the Reagan tax cuts of 1981—after those two things are done, then they turn around and say we are going to put money into the Pentagon. They will not have a community Policing Program will put cops in the cold storage locker.

Do they want to cut the Head Start Program? Even President Bush wanted to fund that at a higher level. All the data indicates if you take these children who are disadvantaged and put them in the Head Start Program they are going to do better academically later on. Rather than ending up on welfare somewhere, or as juvenile delinquents, they have a better chance of ending up as educated, paying citizens of this country who make a contribution.

Do they want to cut President Clinton's summer jobs for needy youth, to get these young people when they come out of school in the summer off the streets and put them in a workplace so they can learn the basic mores and habits and culture of the workplace? Or do they want to leave them on the streets as delinquents, kids who are in trouble? How do they want to cut the Community Policing Project? They will be benefiting the police forces. They will be benefiting the cities where they work and they will be benefiting themselves also because at the termination of the end of their time of service, they will not have to accept that enormous college loans to pay off and they will be able to go to college.

Many who study this program say that some of these young people coming out of college who go into police work will find they like it. So over a period of time, you are going to develop a higher caliber of police force all across the country. As the college-educated people stay and move up through the ranks, you are going to have a more competent police force in city after city.

My friend on the other side say, "If we want that in the deep freeze, we want to forget about that." Is it not interesting, the American people so many times are way ahead of us in Washington, way ahead of those of us who run for elected office? The American people know that things need to change, and they know that if things are going to change, we are all going to have to make a contribution.

We will see what the other side has to say. What will they have to say about the Social Security fund, about the Head Start Program, about the Community Policing Project?

Mr. President, when you boil this budget amendment down, what is really at stake is what the American people want and what this new President wants. They both want a change in the way we do things. The American people have rejected the misguided economic

---

**Table: Federal Spending Categories—Continued**

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlays</th>
<th>[In billions of dollars]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>21.2</td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>46.0</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>63.5</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>79.3</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>88.5</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>98.7</td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>106.6</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>117.2</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>124.3</td>
<td></td>
</tr>
</tbody>
</table>

---

**In the President's program there is something called a Police Corps Program.**

This will put 100,000 new, young, college-educated policemen on the streets over the next few years. What the Clinton program does is it says to young people who may have difficulty going to college: If you will agree to serve in a police force of a city which requests your service for a period of years—I forget precisely how many, 3 or 4—then we will help defray your college education under the Police Corps Program. And that means that within 4 years, young people will be coming out of college learned in subjects like criminology, psychology, sociology, how deal with the criminal element and the culture that produces them. And these young people will be in these police forces. They will be benefiting the cities where they work and they will be benefiting themselves also because at the termination of their time of service, they will not have to accept that enormous college loans to pay off and they will be able to go to college.
March 24, 1993

CONGRESSIONAL RECORD—SENATE 6181

They want to do something about creating jobs for our people again, good jobs at good wages. They do not want to continue to read these headlines everyday about IBM lays off 30,000; American Airlines lays off 20,000, people being laid off who know they will never ever be recalled to work in these blue chip companies that they once worked for.

Contrast this desire for change, this desire to move forward, this desire to get this economy moving again, this desire to put tax equity back into the tax structure so that the wealthiest among us once again have to pay their fair share, put this desire to do something about the health care crisis, put that desire to do something about the deficit. That is the desire that they want and they voted for and the change they are willing to make a contribution toward.

But what has the minority offered in response? It wants the status quo. This alternative budget resolution offered by our Republican colleagues maintains the status quo. I say to my colleagues on both sides of the aisle, if you want to keep on doing the same things we have done for the past 12 years that has quadrupled the national debt in 12 years, that has put 1 out of every 10 Americans on food stamps, that has given us some of the highest unemployment for the longest period of time we have had since the Second World War, that has given us the longest recession we have had since the Second World War, then vote for the status quo resolution. Vote for the plan offered by our Republican colleagues on the other side of the aisle.

But, on the other hand, if you think this country needs to change, if you think we need to do something about competing effectively against our trading partners and trading adversaries around the world, if you think we need to do something about combating the health care crisis by coming up with a comprehensive health reform program, then vote for this Clinton budget as modified—and everybody was for it—turned what was a fiscal problem with our budget into a fiscal crisis. The American people want to get that deficit in the past 12 years. They know what got us into this mess. The desire to move forward, this desire to put tax equity back in to the tax structure so that the wealthiest among us once again have to pay their share of these increases. They do not want to continue to read these headlines everyday about IBM lays off 30,000; American Airlines lays off 20,000, people being laid off who know they will never ever be recalled to work in these blue chip companies that they once worked for.

Mr. SASSER. Mr. President, I reserve the remainder of my time and yield to my distinguished friend from New Mexico if he wishes to speak.

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I yield up to 6 minutes to the distinguished Senator from Alabama, and I thank him for coming to the floor.

Mr. SHELBY. Mr. President, I rise this afternoon in support of the substitute. Why? Because I have serious reservations about the pending budget resolution and the President’s revenue and spending plan upon which it is based.

I have three main reservations about the plan. First, the plan relies, I believe, too heavily on taxes as opposed to spending cuts. The weight of tax increases to cuts is at least 3 to 1—3 to 1, Mr. President, not 2 to 1, not 1 to 1, but 3 to 1. Under this plan, over $400 billion in new taxes will not get to the heart of our deficit problem.

Mr. President, I have no reason, Mr. President, to be doubt that I support will achieve at least $490 billion in deficit reduction this year and in each of the next 4 years. In contrast to the present resolution before the Senate, the substitute that I support will achieve at least $490 billion in deficit reduction this year and in each of the next 4 years.

Mr. President, I believe that before our Government can ask for taxes, it must prove it can spend those taxes wisely. To that end, this amendment eliminates $295 billion—$295 billion—in tax increases and $18 billion in user fee increases, yet because of its spending restraint it still creates deficit savings of $440 billion through 1998 and, unlike the other plan, will continue to save money after that period.

Finally, the plan embodied in this resolution will not result in long-term deficit reduction. We have been there before. In 1998, the deficit will at least begin to increase again, if not before then.

Mr. President, the Clinton plan will raise taxes and make the long-term deficit. We have been there before. In 1998, the deficit will at least begin to increase again, if not before then.

Mr. President, the Clinton plan will not doubt require $100 billion to ask for more sacrifice in 4 or 5 years, if not sooner. The present resolution buys 4 years of time, putting off judgment day at a price, at a price, Mr. President, of $300 billion.
The PRESIDING OFFICER. Who yields time?
Mr. DOMENICI. Mr. President, do we have any time remaining?
The PRESIDING OFFICER. The Senator from New Mexico has 2 minutes 7 seconds remaining.
Mr. DOMENICI. I yield 2 minutes to my friend, the minority whip, and the 7 seconds also—2 minutes and 7 seconds.
The PRESIDING OFFICER. The minority whip is recognized. He has 1 minute 53 seconds.
Mr. SIMPSON. I thank the Chair. I will speak very quickly. Do not take that 7 seconds off, Mr. President.
I want to thank Senator DOMENICI for what he does. He is a loyal warrior for our side. This is a tough issue that the American people are only just beginning to figure out. I think they really do believe, silly souls, that the election, the winner, was about cutting spending and doing something about American run amok, run amok in the area of the entitlement programs. This President can do everything he wants to do and he will not get to first base. This will be a disaster for him. In 18 months, the American people will not be talking disappointment, because they will see what has happened to them. New taxes. It will come to pass just about a year from now when they get the bill. April 15, 1994, that they have been truly had. And they thought they were hiring on a President to cut spending. All they got was $235 billion in new spending and never did a thing with the entitlement programs. There is not a soul here, including the Budget Committee chairman and the ranking member, who does not know in their heart and soul that the American people will not be talking disappointment. They will be talking betrayal, because they will see what has happened to them.
Mr. President, I yield myself the remainder of the leader time as he indicated.
Mr. SIMPSON. I ask unanimous consent to extend the time.
Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER. The Senator from New Mexico is recognized.
Mr. DOMENICI. Mr. President, I yield myself the remainder of the leader time as he indicated.
Mr. SIMPSON. I ask unanimous consent to extend the time.
Mr. DOMENICI. Mr. President, I want to thank you for your courtesy.
Mr. SIMPSON. I ask unanimous consent to extend the time.
Mr. DOMENICI. Mr. President, I yield myself the remainder of the leader time as he indicated.
Mr. SIMPSON. I ask unanimous consent to extend the time.
Mr. DOMENICI. Mr. President, I want to thank you for your courtesy.
Mr. SIMPSON. I ask unanimous consent to extend the time.
Mr. DOMENICI. Mr. President, I yield myself the remainder of the leader time as he indicated.
Mr. SIMPSON. I ask unanimous consent to extend the time.
control until we reform health care and save money in health care.

This green line on this chart from the President's plan for getting the deficit under control, and I say to my friend, Senator DOLE, it is nothing more, nothing less than being very, very close to what our caps would require. By a margin of 51 to 41, Americans would vote against the tax hikes included in the Clinton budget. By a margin of 61 to 19, people who initially supported the Clinton plan changed their minds when told that there will be increases in taxes on Social Security benefits. They are not aware of that yet out there in our country.

Seventy-five percent of the Americans in the new higher tax brackets are small businesses, who leave their earnings in their business, because that is the way they grow. If they are going to say to them, we are increasing the tax on you by 32 or 28 percent, and we take it right out of your retained earnings. What do you think that is going to do to small business for the next three or four years? It is going to cost us jobs.

That is where American jobs come from, and there is nothing in the Democratic budget proposal that says we are going to cause savings to accrue. It just says we are going to tax you because we think you are rich. The Democratic plan says we are really not aware of the fact, and the voters are not, that it is going to be small business America that pays most of this tax, because of the way we have structured our subchapter S corporations, where they are treated as individuals. They leave their money in their businesses to grow, and we say do not do it that way any more. And give it to the Government for what we think are new investments, and we know what is better to invest in than you. We are saying that to business people and Americans.

The PRESIDING OFFICER. All of the Republicans' time has elapsed.

Mr. DOMENICI. Mr. President, I ask for an additional minute.

Mr. SASSER. Mr. President, I have no objection to the distinguished Senator having 1 additional minute, but not off of my time.

Mr. DOMENICI. No, I will speak off of the resolution.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a current poll from the United States Association, and it is just a very current one. Let me give you a couple of thoughts. The American people are beginning to understand this budget, and when they do, they will not support it. By a margin of 56 percent to 20 percent, people who initially supported the Clinton plan changed their minds when told that there will be increases in taxes on Social Security benefits. They are not aware of that yet out there in our country.

By a margin of 51 to 41, Americans would vote against the tax hikes included in the Clinton budget. By a margin of 61 to 19, people who initially supported the Clinton plan changed their minds when they were told about the fact that the national debt will actually increase nearly $1.2 trillion over the next 5 years.

Given a choice, proposed alternatives to the Clinton plan, Americans choose alternatives by margins of anywhere from 58 to 23 and 56 to 25.

I hope everybody knows that we have tried our very best to get the message over that we know if we succeeded, but when the plan is implemented into the fiscal policy, I am sure it will show up on the negative side.

Mr. SASSER. Mr. President, I yield 5 minutes to the Senator from Arkansas (Mr. BUMPERS).

Mr. BUMPERS. Mr. President, I will yield back any time I do not use. The Senator from New Mexico charged the President from Tennessee with talking snake oil. I am disappointed in the Senator from Tennessee, because I think that is a charitable description of it.

I can remember back in 1981 when we got all these painless solutions to the deficit. The debt was a whopping $292 billion, and the whole world was standing on its head saying, "the apocalypse is at hand." The Republicans took over this body—56 Republican Senators—and Ronald Reagan took over the White House, and they said: "We have a simple solution. We are going to cut your tax rates from 70 percent to 50 percent, to 28 percent with calling defense spending and balance the budget."

If I had not had a little country named intelligence, having come from a town of 1,000 people in Arkansas, I might have bought into that. You talk about a siren song. That is about as irresistible an offer as I ever heard. The Congressman from Little Rock, Ray Thornton, I remember his 84-year-old father-in-law saying, "what a dynamite idea, I wonder why nobody ever thought of that before." Well, we have now quadrupled the debt to $4 trillion, so we know why nobody ever thought of that deficit strategy before.

Mr. President, we have the very same people—and they are friends of mine— on the floor of the U.S. Senate this afternoon that we had back in July 1981, telling us that they have this magic, painless solution. It did not make any sense then or now. We now know it was sheer lunacy then. But the American people, who are entitled to be wrong occasionally, bought into it.

Do you know why we are here working on this economic plan today? It is because some of us bought into the strategy in 1981 and we brought this deficit and debt disaster, this economic disaster, to this Nation. We have jeopardized the future of my children and my grandchildren, as nothing else in the history of this country has ever done. I can tell you one thing: You can put any light you want on this, but this deficit and debt problem is not going to go away painlessly, as those who offer this amendment would have you believe.

This afternoon, they are saying: You know you do not get prosperity by raising taxes. You know you are not going to bring prosperity to this country and put people back to work by raising taxes. Well, we now know you do not do it by cutting taxes and increasing spending either.

Do you know something? I agree with Justice Brandeis when he said, and it is
not very popular when you say it back home with folks. He said, "Taxes are the price you pay to live in a civilized society." That is exactly what they are. And unless we belly up and start doing what we know we have to do, no matter how painful it may be, we are not going to be able to maintain our standard of living.

Do you think I enjoy going home and telling my seniors that I am going to vote to require the top 23 percent of them to pay income taxes on 65 percent of their Social Security benefits instead of 50 percent?

I am reluctant to say this publicly, but I urged the President to make the top marginal rate 40 percent instead of 36 percent. I told him he would have to compromise and to ask for more than he had to have. I also said, "Mr. President, you are not just this country's last best hope; you are this country's last hope. We are either going to get deficit reduction done in the next 4 years, or it is going to be too late. I do not like to be a prophet of doom, but I must say I do not know what is sustaining us now.

Yes, I do, too. I will tell you what is sustaining us. It is the hope of the American people that the economic plan of this young, new President in the White House is going to work.

Hope springs eternal in this country, and I intend to support the President who advocates change. I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.

The only reason I suggested to the President that he go for a 40-percent marginal rate was because I do not know how his plan will work. Four years from now he will either be reelected because his program succeeded and is working, or he will not be because people are unhappy with his health plan and the deficit is not headed South.

I can tell you that, if you buy into this snake oil that we are about to vote on in a minute, when you buy into proposals like that, proposals that say we can do it painlessly you're voting for the same snake oil we bought back in 1981.
Mr. MITCHELL. I yield.
Mr. DOMENICI. I want to echo those remarks and merely indicate that we did this by stacking these few votes to accommodate Senators so they were not going to be in and out of here every 2 to 3 minutes. We hope they will be as accommodating to the U. S. Senate and let us finish this business.
Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.
Mr. PRESDING OFFICER. Is there a sufficient second?
There is a sufficient second.
The yeas and nays were ordered.
Mr. STEVENS. Mr. President, a parliamentary inquiry.
Mr. PRESDING OFFICER. The Senator.
Mr. STEVENS. The Senator from Hawaii [Mr. INOUYE] is necessarily absent.
Mr. PRESDING OFFICER (Mr. WOFFORD). Are there any other Senators in the Chamber desiring to vote?
The result was announced—yeas 42, nays 57, as follows:

<table>
<thead>
<tr>
<th>Rollcall Vote No. 69 Leg</th>
<th>YEAS—42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bennett</td>
<td>Fairfield</td>
</tr>
<tr>
<td>Bond</td>
<td>Gorton</td>
</tr>
<tr>
<td>Brown</td>
<td>Gramm</td>
</tr>
<tr>
<td>Burns</td>
<td>Grassley</td>
</tr>
<tr>
<td>Cao</td>
<td>Gregg</td>
</tr>
<tr>
<td>Cochran</td>
<td>Hatch</td>
</tr>
<tr>
<td>Cohen</td>
<td>Hatfield</td>
</tr>
<tr>
<td>Conderdi</td>
<td>Heime</td>
</tr>
<tr>
<td>Domenici</td>
<td>Kassebaum</td>
</tr>
<tr>
<td>enactment</td>
<td>Kassebaum</td>
</tr>
<tr>
<td>Engineering</td>
<td>Lott</td>
</tr>
<tr>
<td>Dole</td>
<td>Lugar</td>
</tr>
<tr>
<td>Domenici</td>
<td>Mack</td>
</tr>
<tr>
<td>Durenberger</td>
<td>McCauley</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rollcall Vote No. 69 Leg</th>
<th>NAYS—57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akaka</td>
<td>Feingold</td>
</tr>
<tr>
<td>Baucus</td>
<td>Feinstein</td>
</tr>
<tr>
<td>Biden</td>
<td>Ford</td>
</tr>
<tr>
<td>Begeman</td>
<td>Glenn</td>
</tr>
<tr>
<td>Boren</td>
<td>Graham</td>
</tr>
<tr>
<td>Boxer</td>
<td>Harkin</td>
</tr>
<tr>
<td>Bradley</td>
<td>Hefflin</td>
</tr>
<tr>
<td>Breaux</td>
<td>Hollings</td>
</tr>
<tr>
<td>Bryan</td>
<td>Jeffords</td>
</tr>
<tr>
<td>Bumpers</td>
<td>Johnston</td>
</tr>
<tr>
<td>Byrd</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Campbell</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Chafee</td>
<td>Kerry</td>
</tr>
<tr>
<td>Conrad</td>
<td>Kohl</td>
</tr>
<tr>
<td>Daeschel</td>
<td>Krueger</td>
</tr>
<tr>
<td>DeConcini</td>
<td>Lautenberg</td>
</tr>
<tr>
<td>Dodd</td>
<td>Leahy</td>
</tr>
<tr>
<td>Dorgan</td>
<td>Lefflin</td>
</tr>
<tr>
<td>Eskin</td>
<td>Lieberman</td>
</tr>
</tbody>
</table>

NOT VOTING—1

Inouye

So the amendment (No. 258) was rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote.
Mr. BREAUX. I move to lay that motion on the table.
The motion to lay on the table was agreed to.

A VALUE-ADDED TAX REMAINS THE KEY TO DEEP DEFICIT REDUCTION

Mr. HOLLINGS. Mr. President, I have opted to withhold my VAT amendment to the budget resolution. It is apparent that a strong sentiment in the Senate to keep this bill clean and intact, essentially as proposed by the administration.

However, I remain more convinced than ever that a VAT tax is both necessary and inevitable if we are serious about deep deficit reduction. And I take heart from the bipartisan support that has grown for my VAT initiative since I first proposed it in 1987. Senator TED STEVENS joined me in cosponsoring this particular VAT amendment, and a growing list of distinguished Senators have come forth with VAT variants of their own, including Senators DANFORTH, DOMENICI, BORIN, BAUCUS, BRADLEY, JOHNSTON, RYAN, SIMON, CONRAD, DORGAN, SIMON, and DODD.

I have the utmost respect for President Clinton's courage in taking on the deficits. However, I must point out that for all the ambition of the Clinton plan, the probability is that the deficit 4 years hence will remain roughly where it is this year, in excess of $300 billion.

Three years ago, then-President Bush crowed that his budget summit package would reduce deficit spending by $500 billion—and it largely did just that—but meanwhile the deficit has increased from $278 billion in fiscal year 1990 to $361 billion in fiscal year 1993. Now, today, President Clinton also promises nearly $500 billion in deficit reduction, and I don't doubt that he will achieve his goal. However, because the underlying deficit is expanding at a runaway rate, and because of ballooning interest costs, the President's austerity package will at best allow us to tread water; there will be little or no reduction in the size of the deficit, which I predict will remain stuck in the $300 billion-plus range in 1997.

Mr. President, there is no education in the second kick of a mule. We must be under no illusions that the administration's package—for all its courage and ambitiousness—will result in a significant reduction in the current level of the deficit.

My point is this: If we are serious about deep deficit reduction—if we are serious about bringing the deficit down below $200 billion by 1997—then we must move much more aggressively on the revenue front. And that is exactly why I favor a 5-percent value-added tax. A VAT would be the most efficient vehicle for raising significant new revenues to truly drive down the deficit.
Mr. President, we are not babes in the woods with regard to Federal deficits. We have been pretending to reduce the deficit for more than 12 years, now, and all we have to show for our efforts is a quadrupling of the national debt. Let us look at the historical record.

Twelve years ago, the new President started cutting Federal deficits by slash taxes by one-third, drastically increasing the defense budget, and trimming domestic spending. President Reagan promised that his plan would crease the defense budget, and trim the deficit for more than 12 years, now, a quadrupling of the national debt. Reagan promised that his plan would

The result was announced—yeas 62, nays 37, as follows:

[Role Call Vote No. 61 Leg.]

The轨迹 of the national debt is still all too clear. The debt hit $1 trillion in 1983, $2 trillion in 1986, $3 trillion in 1990, and $4 trillion in 1992. In the early 1980s, it took 4 years to add another $1 trillion to the national debt. In the early 1990's, it takes only 3 years to add another trillion to the debt. By the end of the decade, we will add $1 trillion to the debt every 2 years—unless we act decisively now.

Certainly, President Clinton has made a courageous attempt to halt the upward surge of the deficit. However I fear that this is all he will accomplish: A halt to the growth in the deficit over the next 4 years. The package now before us does not raise taxes enough or cut spending enough to reduce the deficit in absolute terms. For all of our pain and caterwauling, we will at best stabilize the deficit in the range of $300 billion through fiscal year 1997. Beyond fiscal year 1997, CBO projects a sharp surge in the deficit, rising to $900 billion annually by the turn of the century. I must point out that the plan before us offers nothing whatsoever to address that looming fiscal catastrophe.

It is only in light of these realities that I have chosen to resort to the harsh medicine of a national value-added tax. If we are serious about deep deficit reduction, we will have to accomplish it through sharply higher revenues. A VAT tax is the fairest and most efficient way to achieve this end. I assure my colleagues that circumstances will force us to revisit the issue of a VAT tax in the very near future.

When that time comes, I will revise the essential elements of the amendment. I have chosen not to offer on this budget resolution; a 5-percent national value-added tax, with no exemptions, and with all revenue set aside in a new trust fund, 75 percent of which would go to deficits and 25 percent to health care reform. Such a VAT tax would allow us to come to terms in a real and decisive fashion with the deficits that are destroying our economy.
Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**VOTE AMENDMENT NO. 257**

The PRESIDING OFFICER. The question is on amendment No. 257 by the Senator from Montana [Mr. BAUCUS]. The yeas and nays have been ordered. This will be a 10-minute roll call vote.

The clerk will call the roll. The bill clerk will call the roll. Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 93, nays 6, as follows:

Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

**VOTE AMENDMENT NO. 256**

The PRESIDING OFFICER. The question is on agreeing to amendment No. 256 offered by the Senator from Tennessee [Mr. KRUEGER]. The yeas and nays have been ordered. The clerk will call the roll. It will be a 10-minute vote.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 96, nays 3, as follows:

**AMENDMENT NO. 262**

(Purpose: To ensure that further Federal health care savings will be accomplished as part of comprehensive health care reform)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The motion to lay on the table was agreed to.

The Senator from Tennessee [Mr. SASSER] proposes an amendment numbered 262.

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

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

The amendment is as follows:

At the end of the resolution, insert the following:

**SEC. 6. REDUCING FEDERAL HEALTH CARE COSTS THROUGH COMPREHENSIVE HEALTH CARE REFORM.**

It is the sense of the Senate that—

1. The vast majority of rising mandatory program costs is due to increasing Federal health care costs, and these costs are assumed in the levels set forth in this resolution;

2. Health care reform is essential to curb the escalating costs of health entitlement programs to reduce the deficit;

3. The reduction in health costs in this budget resolution should be augmented by further savings in Federal health outlays as a part of comprehensive health care reform which will be reflected in future budget resolutions; and

4. Comprehensive health reform will result in long term savings both for the public and private sectors of the American economy and reduce the deficit levels set forth in this resolution at an ever increasing pace.

Mr. SASSER. Mr. President, I offer for the consideration of my colleagues this evening, a sense-of-the-Senate amendment which puts the Senate on record in the following way.

First, we recognize that the problem in rising entitlement spending is health care costs, that is the principal energizer behind escalating entitlement costs.

Second, comprehensive health care reform is essential to curb escalating health care costs for all Americans as well as reducing health care cost in the Federal budget.

Third, we made a significant downpayment on health care costs in this budget resolution.
Fourth, further savings in health care spending should be achieved through comprehensive health care reform and will be reflected in future budget resolutions and in future deficit reduction.

Mr. President, many of my colleagues have talked about the escalating entitlement costs in the Federal budget. I also am equally as concerned. When we look at the two significant growth areas in the Federal budget, we find that there are two segments of the budget that are growing at a prodigious rate.

One, of course, is interest on the national debt, and that is something we have been trying to deal with here today, by urging on our colleagues, the passage of the Clinton budget as modified by the Senate Budget Committee, which is the largest deficit reduction package and will reduce the deficit by the largest margin of any budget that has been proposed in the history of the country.

But the second problem is the escalating, indeed exploding costs in so-called entitlement programs.

As I have told my colleagues in times past, 95 percent of the increase in the entitlement programs comes from three programs; 95 percent of the increase in the so-called entitlement or mandatory programs is involved with just three programs. One is Social Security. Two is Medicare. Three is Medicaid.

If you back Social Security out of that equation, the growth falls to about 85 percent of the entitlements, encompassed in growth in Medicare and Medicaid costs. I think it makes sense to back Social Security out of the equation, because Social Security is not the problem. The Social Security trust fund, the old age and survivors trust fund, which this year will generate $60 billion more in revenues than it will pay out to beneficiaries.

Now, what is the problem in Medicare and Medicaid? Why is it going up so fast? Medicare and Medicaid are simply reflecting, Mr. President, the explosion in health care costs that have encompassed the whole health care system and threaten the health care economy with its very, very rapid growth, growing at two, three, and four times the consumer price index, year after year, after year. The health economy threatens to subsume the whole of this country.

Some are urging on us, and we may hear more about this later, so-called entitlement caps, aimed primarily at putting a limit on what the Federal Government will pay by way of formulas for Medicare and Medicaid costs.

Mr. President, it is my position, and the position of the Clinton administration and the view of President Clinton himself, generated throughout his statements on health care and through the statements of his Director of the Office of Management and Budget, Mr. Leon Panetta, that simply limiting what the Federal Government will pay for health care will not solve the problem. Because if we put a cap on Medicare and Medicaid, what we are saying is, the Federal Government is going to pay so much, and only so much, and we do not want any higher the health care costs go.

What that means, in effect, if we put a limit on what we pay for Medicare and Medicaid, it simply means that when older citizens who are Medicare beneficiaries go to a physician for treatment, they are going to find that more and more physicians simply refuse to take Medicare patients.

We are seeing that now all across the country, particularly in some of the higher-cost areas where the cost of living is high, such as New York City or perhaps even here in the Nation’s Capital of Washington, DC. The physicians are saying, we do not want to take Medicare patients because Medicare will not pay enough.

Now if we put a limit on what the Federal Government will pay for Medicare and Medicaid, it simply means that the Federal Government will pay at a faster rate than the rate of inflation, then this will spread across the country and you are going to have tens of millions of Medicare recipients, elderly people who cannot get treatment because physicians simply either will not take Medicare patients, or they will say, “OK, we will take the Medicare patient but the Medicare patient has to pay a large sum out of his or her pocket in addition to what Medicare pays.”

That is not what the Medicare program was all about when it was put into law under the administration of President Lyndon Johnson.

The problem today is that I have seen figures that indicate that even under Medicare our elderly citizens are paying more for health care than they did prior to the passage of Medicare.

Well, the Federal Government limits what it pays for Medicaid? As the President knows, Medicaid is a cooperative program between the Federal Government and State governments to provide health care for the very poorest among us who otherwise would receive no health care or simply be at the mercy of whatever charity might be available. If we put a limit on what we pay for Medicaid, it simply means that the State governments, which are already, some of them, on the verge of collapsing fiscally because of the terrific expansion in Medicaid costs, it means the State governments would be required to pay more.

In my native State of Tennessee, the State government cannot pay more for Medicaid. My Governor has told me that he has reached the end of the line. They simply do not have the funds to go any further with State payment of Medicaid.

So if the Federal Government limits what it is paying in the relatively poor per-capita income States like the State of Tennessee, like the State of Arkansas, perhaps even like the State of New Mexico—I do not think that is a high per-capita income State—it means that those of us in low per-capita income States, where a State government has a low revenue base to raise revenue for its citizens, it means that its poor people are either not going to get adequate health care or get none at all.

It is going to mean that hospitals and doctors will refuse to treat Medicaid patients. That is happening now all over the country. All over the country hospitals refuse to take Medicaid patients and doctors refuse to treat Medicaid patients because Medicaid simply does not pay enough, these doctors and these hospitals say, to even defray their cost of operation.

So if we put a limit on what the Federal Government pays, then the poor people, as well, and State governments, as well, are left in a ditch.

Well, what is the solution? I am proud to say, Mr. President, that, unfortunately, there is a solution over the horizon. At long last in this country, after looking the other way for many, many years, trying to pretend as if a problem did not exist, we have an administration in Washington and there is a President in the White House who recognizes the fact that something has to be done about the cost of health care. He and his wife are working very hard on developing a comprehensive health care program that will deal with the whole health care problem.

It is the cost of health care that is the problem. It is a problem that the Federal Government is having to pay so much, and that is increasing the cost of the entitlements and increasing the deficit. That is a problem. But the problem is the overall problem with health care in this country, the overall expense of the health care system and the health care apparatus here in the United States.

President, I urge the Senate amendment that I am offering here this evening is simply an affirmation of the President’s approach, which says that we must take on the health care system in toto, get our arms around the whole thing.

It does not make sense, according to the President, to simply be controlling the public sector system, while allowing the overall cost of health care to go through the roof.

I think, Mr. President, that is a ticket to disaster. It is a ticket to a health care disaster for the American people.

President Clinton has said that we are going to have a comprehensive health care proposal in this Congress or proposed by the administration before the month of May is out, if memory serves me correctly. Some are saying, “Well, let’s go ahead and cap Medicare.”
I say, what sense does it make to cap Medicare now? I see an entitlement cap as simply one more attempt, frankly, to derail the President's plan for economic recovery and economic change.

The cap on Medicare and Medicaid simply puts hardship, as I have said earlier, on the most vulnerable seniors and our most impoverished citizens. What the cap ultimately does is, it shifts the cost of the health care system back onto the private insurance system.

So it means the Federal Government is paying less; older people are going without the health care they would otherwise have gotten under Medicare—some are probably going without health care—poor citizens are going without health care, or getting more inferior health care than they are getting now; and in the private sector those who have private insurance companies, their health care premiums are going to continue to go through the roof.

And you still will have out there, at present count, about 37 or 38 million Americans who have no health care coverage at all. You will still have them out there. And that sector of the population will be growing.

So, Mr. President, I urge the amendment.

I have talked earlier today, and earlier this week as well as last week, about the heavy reliance on taxation in this package. Almost 1 to 1 taxes-to-spending cuts just will not do, and I believe the folks in America and the folks back home in my State will be mightily disappointed when once again a much-heralded plan to reduce the deficit fails to meet its goals.

We raised taxes four times in the last 10 years in order to get the deficit under control, and the deficit is twice the size it was when we started. That is because Congress has shown no ability to use the revenues for anything but new spending.

The Joint Economic Committee says spending increases $1.59 for every $1 that taxes rise. That is why I have continued to say we need more rabbit meat spending cuts in the stew of taxes that the President has supported.

Last year the economic package of candidate Clinton was $2 of spending cuts for every dollar of new taxes. Earlier this year the Budget Director, Mr. Panetta, also repeated the claim. Unfortunately, while the President and his team keep selling the package as one part spending cuts, one part tax increase—it is anything but that. This is precisely the problem with the Clinton economic plan: Great advertising, great sizzle, but there is not much rabbit in the rabbit stew. Fortunately, we are going to have an opportunity to do something about getting spending under control.

I cannot support the sense-of-the-Senate resolution that is before us now as the solution. Instead, I urge my colleagues to consider the arguments and do something that is significant, and that is to support the amendment which will be brought forward by the distinguished Senator from Georgia. The amendment will do something to remedy the problem by providing the backbone and discipline Congress so obviously needs actually to attack spending.

If we do not address the growth in entitlements, and the Clinton plan, and the plan reported out of the Budget Committee does not do so, then by the year 2000, instead of ending the deficit and balancing the budget, we are right back where we started from. That does not meet my test of serious deficit reduction and I doubt it meets anybody else's test.

Let us take another look at this chart.

This is a small chart. All you have to be able to see is the blue line. It starts off, the deficit is $300 billion. And as the proposed plan cuts military spending, it gets down to around $200 billion at the end of the deficit, 1998-1999. But, unfortunately, it is back up to $300 billion a year in annual deficit, by the year 2000. And it goes back up to $400 billion deficit by the year 2003.

What kind of deficit reduction plan is this? Mr. President, I suggest it is not a serious one. That is what brings us back to the subject of entitlements.

Several Senators, four Republicans, three Democrats, have stepped forward to say we must reform and control and do something about entitlements. To me that is true political courage. That amendment will say attack health care costs; reform the earned income tax credit if it is growing too fast; reform our foster care program if it is the problem.

Basically it says reform any program that is growing faster than inflation, plus caseload growth, plus 4 percent. And if Congress does not reform these fast-growing programs, then a sequester of the offending programs will occur.

This is a slightly different twist than past entitlement caps in that it sequesters only the programs causing the problem, if there is a problem, instead of taking funds out of programs which are already growing very slowly.

Opponents of the entitlement caps say if we want to cut entitlements then we should do it, not just rely on procedural gimmicks or Budget Act reforms. Just do it. That might be the best way of describing this approach.

If we were to do that, that would be one thing. But it seems when amendments are offered to change entitlement programs, the same people who do not say impose some discipline, do not support these cuts.

So who is hiding the real agenda? For example, in the Senate Budget Committee I offered an amendment which would save over $20 billion in the Medicaid Program over the next 5 years by
let us get serious about it. Are we going to do something about the deficit? If we are, then we are going to have to get health care costs, Medicare, Medicaid under control. I suggest the Nunn-Domenici amendment, which will come up after this amendment, is the way to do it.

I thank my colleague from New Mexico and I yield the floor.

Mr. SASSER. Mr. President, I see the distinguished Senator from Pennsylvania on the floor. He has long been active in the whole issue of health care. Indeed, his efforts a couple of years ago I think highlighted the whole health care crisis. He has been a catalyst in this body and I think outside of this body in focusing national attention on what has become known as the health care crisis.

So I yield such time to the distinguished Senator from Pennsylvania as he might wish to consume.

The PRESIDING OFFICER. The Chair will notify the Senator from Tennessee that he has 13 minutes and 40 seconds remaining. The Senator from Pennsylvania.

Mr. WOFPENB. Mr. President, I rise to support and to cosponsor the amendment of the valiant Senator from Tennessee. About half of all Federal spending for entitlements and mandatory spending. This is, of course, spending done by formula, and spending not constrained by annual appropriations bills. Let us be clear though what we are talking about: Social Security, Medicare, Medicaid and also the student loan program, employment compensation, food stamps.

According to the Congressional Budget Office, total entitlement spending will increase from 12.5 percent of our entire domestic economy this year to 18.9 percent of our entire domestic economy this year to $259 billion in 1988, a 77 percent increase. These are not driven by increases in the cost of living, but by increases in the cost of medical care. Medicaid costs have exploded over the past several years, not only for the Federal Government but, as the Senator from Tennessee has pointed out, as we all know from our States, the explosion hits the States as well.

According to the Congressional Budget Office, Medicaid accounts now for almost one-third of all spending for so-called means-tested entitlements and fuels two-thirds of the projected growth of such spending over the next 5 years. CBO estimates that Federal Medicaid spending will increase 62 percent over that time.

The rate of growth for Medicare rivals those of Medicaid. Medicare is projected to increase from $146 billion this year to $269 billion in 1988, a 77 percent increase. These are not driven by increased utilization, but by increases in the cost of health care services.

As my colleague and the Secretary of Treasury Bentsen said on the Senate floor last year, the abstract concept of an entitlement can only be turned into reality without squarely addressing the underlying problem of health care costs.

As the President has repeatedly said, we are kidding ourselves if we believe we can contain the Federal deficit and provide long-term economic growth without getting those costs under control. That is why he said in his February economic message that we have to take action on health care not next year, not 5 years from now but right now. And that is why he is preparing to introduce his comprehensive proposal in just a few weeks.

The problem with the amendment that will be proposed by my friends from Georgia and New Mexico is that it is treating the symptoms without curing the disease. It provides no solution to the underlying problem of skyrocketing health care costs. Indeed, it would make a solution even harder to find. My view is that the amendment would be a vote against comprehensive health care reform. It is a vote against controlling health care costs for families and businesses. It is a vote against expanding access to health care for millions of Americans who are today without coverage.

This amendment would remove a part of the puzzle to solving the health care crisis for everyone. We have to understand that the puzzle will never be solved by pulling the pieces apart.

I would like to read a letter from an 11-year-old boy. It is the kind of letter I used to try to write when I was 11 years old: Eric Stodola from Erdenheim, PA, wrote to me to support the Clinton economic plan. Here is what he wrote:

I like Clinton's plan and his thinking. I don't think it should be changed at all. I can see from the numbers and facts that in the long run the deficit will be lower and my mom and dad will be paid more. I don't think you should rip the plan apart because plans only work when they are all in one piece. I mean that the plan is like a puzzle and if you remove a piece, it doesn't work.

Mr. President, the amendment by my friends from Georgia and New Mexico would jump the gun, jump the gun on the comprehensive health care proposals that we are about to get in the month of May. Nobody wants to see that gun go off more than I do. There is nobody in this body who wants more than I do to see health care costs controlled, but it must be controlled as part of a comprehensive health care reform. The way to do that is to adopt the amendment today by the Senator from Tennessee that affirms our determination to move forward to comprehensive health care reform and fundamental cost control reform and to adopt the entitlement cap, the proposal, as a position, that moves ahead, puts the cart before the horse, and the horse is the comprehensive health care reforms that this country needs.
needs to pull us forward in a way that will give us growth in our economy and will give us the ability to control the deficit.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. I yield 10 minutes to Senator DANFORTH, from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 10 minutes.

Mr. DANFORTH. Mr. President, this amendment and the amendment that follows which will be offered by Senator NUNN call attention to the great missing element in the budget resolution now before us. They indicate that something is, in fact, missing. and amendment and the amendment that programs.

What is missing is any significant effort to deal with the fastest growing part of the budget, which is the entitlement programs.

This budget resolution does not adequately or significantly deal with the growth of the entitlement programs. Senator NUNN is shortly going to offer an amendment which does provide caps on the growth of the entitlements. I am sure that Senator NUNN will explain his amendment to the Senate. But the essence of it is that beginning in 2 years, the growth of the entitlements, absent Social Security—that is the sense of the Senate that combination change.

And if we are not going to have limited costs in health care, how are we going to afford to have a program?

I was at the Chamber of the House of Representatives along with the rest of the Senate during the State of the Union speech and heard the fervor in the President’s voice about the need to control the cost of health care. The President told us both in his text and in his extemporaneous comments during that speech that we absolutely have to control the cost of health care.

What we are saying in the amendment that will be offered by Senator NUNN is, all right, let us control the cost of health care.

Mr. KENNEDY. Will the Senator yield?

Mr. DANFORTH. Let us control the cost of health care to the private sector and also to the public sector.

Mr. KENNEDY. Will the Senator yield?

Mr. DANFORTH. I wish I could, but we do have 30 minutes on this side, so I am going to hold on to my time, if I can.

Mr. KENNEDY. Will the Senator yield, if the Senator will yield me time, to answer a question?

Mr. SASSER. I would be pleased to yield such time as the Senator may want.

Mr. DANFORTH. Of course.

Mr. KENNEDY. Will the Senator yield?

What does the Senator understand will be the increase in health care costs over the period of the next 3 years? If we do nothing in this country, what is the Senator’s understanding will be the increase in the health care costs?

Mr. DANFORTH. I think it is going to be very dramatic.

Mr. KENNEDY. It is going to be $300 billion. It is going to be $300 billion.
We can have the cost to the Government go through the roof during that 2-year period of time. But when all is said and done, when we have a health care program in place, please let us make sure that it works. Let us do something for a change around here that works.

What we are saying is that whatever we come out with, whatever we come out with, entitlements as a whole, as a whole after we finish this program 2 years hence, should only go up by population plus cost of living plus 1 percent. And if we do not get entitlements under control in the meantime, then we have the program from 30 percent to 50 percent of the budget, which they have done since the 1960's, they are going to go to 60 percent, 70 percent, who knows what else.

Mr. KENNEDY. Just one question. Would the Senator agree to have the same kind of cost containment on the rest of the health care budget as he is supporting here tonight?

Mr. DANFORTH. I am saying that under Senator Nunn's proposal, when all of the entitlements are aggregated—maybe health care will be over 1 percent, but all of the entitlement programs, absent Social Security, combined must be CPI plus 1 plus population. And if it exceeds that, then no effort that we are making to try to balance the budget by raising taxes is going to be sufficient to get our economy on a sound foundation.

Mr. KENNEDY. Mr. President, if I could get an answer in terms of health care policy. The Senator is prepared to put a cap on one-quarter of the health care budget, which is effectively the Medicare and Medicaid Programs. That is effectively one-quarter. I am asking whether the Senator will agree, if he is so concerned about the increase in cost, to sign on to put a cap on the others.

Mr. DANFORTH. The Senator from Missouri is saying, Mr. President, he supports—along with probably almost all of the people on this side of the aisle—a comprehensive health care program which covers all of health care.

Mr. KENNEDY. Will it have the same cap?

Mr. DANFORTH. When all is said and done, Mr. President, when we finish the program, then the entire growth of entitlements absent Social Security should not be allowed to go up more than 1 percent over the cost of living index.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Who yields time?

Mr. KENNEDY. Mr. President, I thought the exchanges were on my time. I ask that in whatever time I have left, the Senator be permitted to continue with his 2 or 3 minutes' remarks.

Mr. SASSER. The Senator from Massachusetts is very generous with my time, Mr. President.

Does the Senator from Missouri need additional time?

Mr. DANFORTH. I am finished, Mr. President.

Mr. SASSER. I will be pleased to yield the Senator from Massachusetts.

Mr. KENNEDY. For just 1 minute.

Mr. President, the proposed limitation on caps on health care just ain't going to work. You are taking one-quarter of the total health care budget and trying to treat it one way. And that has probably been the basic problem over the period with the Medicaid Program. And now you are wrapping Medicare, the Medicare parts, into it as well.

The Senator from Tennessee is absolutely right. We have a President who is committed to having a program. Here on the floor of the U.S. Senate, with comprehensive cost controls, we hear occasionally: Let us put a cap on one part, but not put a cap on the other.

What is necessary is that we put the cap on—or some kind of effective cost control on—the total of the program. I think from just this debate, Mr. President, we see that this would be an incremental state that I think would do grave violence to what the President's efforts have really been on cost containment for millions of people, and for decent health care.

I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, what time is remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 4 minutes 4 seconds; the Senator from New Mexico has 9 minutes 41 seconds.

Mr. SASSER. I see the distinguished Senator from West Virginia has arrived on the floor. I will be pleased to yield to him such time as I may have.

At the expiration of that, when we go on to the next amendment, perhaps the distinguished Senator will wish to re­ main and speak on that amendment, also.

Mr. ROCKEFEWER. Mr. President, the Senator is entirely happy with that arrangement.

Mr. SASSER. I yield to the distinguished Senator the remaining time.

The PRESIDING OFFICER. The Senator from West Virginia has 3 minutes 35 seconds.

Mr. ROCKEFEWER. Mr. President, it is very clear what is happening here. The purpose of this amendment could not be clearer. I, obviously, strongly support the amendment of the Senator from Tennessee. By adopting this amendment, we will state directly and emphatically that reforming our country's battered health care system is the way to achieve long-term prosperity, deficit reduction, and a society that more properly cares for its people.

Any person who thinks that we can achieve budget deficit reduction without doing health care reform is absolutely wrong. The whole concept of putting the cap on entitlements—where we have already taken $55 billion out of Medicaid; where the overwhelming majority, I think it is 80 percent or something like that, in addition, would then come out of Medicaid and Medicare; which would then close down hospitals, and would close down physicians' offices to poor people and to seniors, since they would decline to give them the services because they were not being reimbursed under either Medicaid or Medicare in proper fashion—is a travesty.

It is an absolute travesty.

The way to do deficit reduction is by doing health care reform. In fact, if you take the deficit budget, even with the $0.5 trillion that we propose to reduce it over the next 5 years, with all the courage the President has shown—and, frankly, the courage the folks on this side and some on the other side have shown—on this issue, even if we do all of that, the budget deficit will begin to come back up in about the year 1996 or 1997, where the amendment that will follow this amendment, the amendment of the Senator from Georgia, would begin to take effect. And that is precisely where we need health care reform and cost containment for health care reform.

But when you are doing health care reform, you are doing something very, very major.

I do not know what the position of the Senator from Georgia is about health care reform. I think he thinks we cannot get it done this year. In fact, I think he told me that last night. The view of the Senator from Tennessee is that in the next session, when we have the courage, we will do it done. And by a combination of his amendment and doing health care reform, we achieve what we want to achieve.

This amendment is directly an alternative to the very different proposals that we are told will be brought up next by the senior Senator from Georgia. That proposal, yet another plan to cap entitlements, could not be more different in its approach or in its effect, and it fails in both.

In my view, the idea of capping entitlement programs—and that must be very clear; it mostly means cutting Medicaid and Medicare, Medicare already having been cut—is equivalent to abdicating our responsibility.

In contrast, Senator Sasser's amendment echoes both the sentiment and
the expectation of the American people. The public is demanding health care reform. The Sasser amendment notes the Government's increasing health care costs and the irresponsibility of the Federal Government in addressing its ailing health care system. The integrity of our efforts relies on our addressing the real issues, and getting to the real cost drivers, not arbitrarily capping entitlements for the poor and the elderly. If we ever hope to really reduce this deficit, we must look at our prime escavators and get to the heart of the problem. It's not the individual programs—it's the system. Senator Sasser's amendment expresses what should be our real intent—to tackle the problems and to responsibly fix this once and for all.

I urge my colleagues to adopt this amendment, and make the record very clear that we intend to make this year when we put our economy on track, get the Federal budget in control, and reform our health system by deciding what's best for the American people—let congress pass Medicare and Medicaid through a shredder called a cap on entitlements.

As part of our dedicated effort to reduce the deficit, I support the careful review of every single solitary item in our national budget—with no exceptions. Most of my colleagues do as well. But I will fight at every turn attempts to place arbitrary caps on entitlement programs, whether purely for the sake of programmatic reform or as part of a larger budget program. Entitlement caps are unjust, they often attack the most vulnerable segments of our society. They're mean. They can hurt the people we're here to represent and to protect. Mr. President, I adamantly oppose the Nunn amendment.

The hard truth is the entitlement caps proposed in the Nunn amendment will do nothing to address what is really ailing our nation and shaping our children's futures. Careful, across-the-board caps will provide a superficial budgetary fix, not real relief. Caps merely stave off making the hard decisions that can restore integrity to our budget and preserve our existing entitlement programs. The only thing that will permanently protect the Federal Government and our States from skyrocketing health care inflation and increased deficit burden is comprehensive health care reform. Indeed, I challenge the authors of this amendment to join me in fighting for comprehensive reform that will get to the root causes their amendment purports to address—ever escalating costs with no restraints.

The answer—the only answer—is health care reform with brutal cost containment. Not entitlement caps.

Mr. President, is any time remaining on our side?

The PRESIDENTING OFFICER. There is no time remaining on the side of the Senator from Tennessee. The Senate from New Mexico has 8 minutes 49 seconds.

ORDER OF PROCEDURE

Mr. SASSER. Mr. President, I ask unanimous consent that, following the conclusion of the debate on the pending Sasser amendment, I may be laid aside until the conclusion of the debate on the Nunn amendment, and that the votes on or in relation to both the Sasser and the Nunn amendments occur in that order at the conclusion or yielding back of time on both amendments.

Mr. DOMENICI. Reserving the right to object, and I shall not, I wonder if the chairman will permit me to add to that request. And I request that the 8 minutes 49 seconds that I have remaining be transferred to the Nunn amendment as part of my support for that.

Mr. SASSER. I have no objection to that, Mr. President. I say that with the hope that the distinguished ranking member will not use all of that time, though, when we get to the Nunn amendment. I have no objection.

Mr. DOMENICI. Mr. President, I do not see any rationale for the arguments are calm and mild on the other side, I might yield back a lot of time. Otherwise, I may use every bit of it.

The PRESIDENTING OFFICER. Does the Senator from Tennessee so modify his request?

Mr. SASSER. I so modify the request.

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

Mr. ROCKEFELLER. Mr. President, I rise in strong support of the pending amendment offered by the distinguished chairman of the Budget Committee and ask to be made a cosponsor. The purpose of this amendment could not be clearer, by adopting this amendment, we will state directly and emphatically that reforming our country's battered health care system is the way to achieve long-term prosperity, deficit reduction, and a society that more properly cares for its people.

In fact, I hope all of my colleagues see this amendment as an opportunity to assure the American people that we get it. That we hear their cries for help. That we care about health care costs that are crushing family budgets; that we intend to respond to the businesses of every size that can't afford to provide the coverage to workers that they'd like to; that we intend to help States and local governments get their hemorrhaging health care budgets under control. That we recognize that passing this budget resolution, even with its bold plan for reducing the deficit, will not be enough to secure the country's economic future—not until, and not unless we enact comprehensive health reform.

This amendment is an alternative to a different proposal that we are told will be brought up next, by the senior Senator from Georgia and others. That proposal, yet another plan to cap entitlements, could not be more different in approach and in its effect. In my view the idea of capping entitlement programs, especially, that mostly means cutting Medicare and Medicaid—is equivalent to abdicating our responsibility. It is yet another notion of how to put the Federal budget on automatic pilot, and shirk making the tough decisions ourselves.

In contrast, Senator Sasser's amendment echoes both the sentiment and the expectations of the American people. The public is demanding health care reform that will finally get a handle on health care costs. Business, labor, families, States—all of us want and need these unsustainable costs checked.

The Sasser amendment notes that the Federal Government's health care costs are responsible for the lion's share of the costs of mandatory programs. We all know this. We all know the only help is comprehensive health care reform that will get to the root causes their amendment programs, and make the record very clear that we intend to make this year when we put our economy on track, get the Federal budget in control, and reform our health system by deciding what's best for the American people—let congress pass Medicare and Medicaid through a shredder called a cap on entitlements.
leagues. It failed. It failed big time. It failed because Members of this body refused to ignore their responsibility to be as fair to the American people as possible, especially in tough economic times.

Mr. President, the only cap we should be endorsing is a cap on all of our national health care spending. And I believe that cap only makes sense as part of our delivering on the promise our new President, and the long held commitment of many of my friends in this distinguished body, to finally provide every American with access to basic health care benefits.

Again, I welcome the authors of this amendment to work with the President and those of us in Congress who are serious about shoring up the budget and reducing the deficit—join us in doing something that counts. It's time to stop lashing out at the people we should be trying to help. It's time to stop offering the false hope of quick fixes that are incapable of solving the systemic problems that are corroding our budget and economic future. Let's get to the business of comprehensive health care reform.

AMENDMENT NO. 263

Mr. DOMENICI. Mr. President, I ask unanimous consent that amendment No. 263, offered by Senator HATFIELD, will be called from the desk, be deemed agreed to, and the motion to reconsider be laid on the table.

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

Mr. SASSER. We interrupted the distinguished Senator from West Virginia, Mr. President. I will be pleased to yield time to him now to continue his remarks, or yield to the distinguished proponent.

I yield to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, if the Senator from West Virginia would like to complete his remarks, I will be delighted to accommodate him.

Mr. SASSER. I would like to say to my friend from Georgia, I think he has to lay down his amendment.

The PRESIDING OFFICER. The Chair informs the Senator from Georgia he needs to send the amendment to the desk.

AMENDMENT NO. 263

(Purpose: To put a permanent, enforceable cap on the amount of non-Social Security mandatory spending beginning with fiscal year 1996.)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk reads as follows:
The Senator from Georgia [Mr. NUNN] for himself, Mr. DOMENICI, Mr. ROBB, Mr. DANFORTH, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. BOND, Mr. COHEN, and Mr. PACKWOOD, proposes an amendment numbered 263.

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

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

The text of the amendment is printed in full below:

Amendment No. 263

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

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

Mr. NUNN. Mr. President, first, in response to my friend from Massachusetts, and my friend from West Virginia, might I say that I do not recall making any prediction that health care reform cannot pass this year.

I think it is going to be very unlikely that it can be put on a reconciliation bill this year; but I do not preclude the possibility that it could pass some time in the fall. If we can have it ready and thought through at that time, I would welcome that.

The second point is that I am not opposed to comprehensive health care reform. But what I hear, I believe, coming from the Senator from Massachusetts, and perhaps to some extent the Senator from West Virginia, and the Senator from Tennessee, on the comprehensive health care reform that is going to be sent up here, is that they must be very dubious that we are going to save any Federal money in it. Because all this cap does—and I will explain it in a moment—is give 2 years for this proposal to be put into effect.

We have no cap at all in fiscal year 1994, and no cap at all in fiscal year 1995. It does not really have a cap until 1996.

If we are going to have a health care reform legislation up here that does not save any money for the Federal Government by 1996, what are we reforming health care for? I know we want to cover the uninsured, but I cannot believe that after all of the conversations I have had with President Clinton—and I know the Senator from West Virginia and the Senator from Massachusetts have just as many and on this subject—he is absolutely dedicated to saving money for the Federal Government. That is what he said as recently as yesterday. As a matter of fact, he said we were going to save hundreds of billions of dollars a year. I know he was including the private sector in that, but he was also including the Federal budget.

I cannot believe that there is so little confidence that we are going to have a comprehensive reform, but we are not willing to say we are going to save money. I do not believe that is the position of the President.

There are reasons to oppose this amendment, but I cannot conceive of the reason being that we do not believe that the President is going to have a comprehensive health reform plan that does anything about the Federal budget, because if it does not, we are out of business. We might as well understand that no matter what we do with taxes, no matter what we do with defense, if we do not get health care under control in the Federal budget, as well as in the private sector, this country is not going to be competitive. Our children and grandchildren are not going to be able to do in the longrun what the current health care system going, let alone even start to pay the taxes that they are going to have to pay to eliminate the budget deficit.

Mr. President, I want to explain the amendment, but I want to make sure that everybody understood that this amendment is based on what I thought was a reasonable expectation that health care reform is going to save the Federal taxpayers money. I want to make it clear that if that is not the case, then we better start over with this whole budget resolution, because we are not raising enough taxes and we are not cutting enough domestic discretionary, and we are not doing enough in defense to ever get the budget under control.

I do not favor more taxes and more defense cuts. That is all we have in this amendment in terms of deficit reduction. We have taxes and we have defense cuts. The domestic spending cuts are just about equal to the add-backs.

Mr. President, this amendment would not reduce entitlement spending. What it would do is reduce the rate of growth of entitlement spending to the increases needed to cover the increases in the number of beneficiaries.

I want everyone to look at this chart that shows us the amount that we are going to be spending over the next 5 years 1994 to 1998, compared to the previous 5 years, from 1989 to 1993. We are going to save in the next 5 years, about $200 billion in defense. On domestic discretionary, we are going to spend about $300 billion more than we did the previous 5 years. On interest on debt, we are going to spend about $250 billion more than we did in the previous 5 years. On entitlement programs, which are the subject of this amendment, we are going to be spending about $1.4 trillion more than we spent in the last 5 years. Anybody who wants to quarrel with the numbers can do so. They came right out of the budget resolution.

Mr. President, I also want to make clear what is happening to the Federal budget, for those who are interested. I know the managers of the bill already know this. It is no mystery to them. The deficit dropped until 1976 and then started going up. Look what happened to the deficit in the 1980's. Look what happened to entitlements. It has gone right straight out the window.

So the Federal deficit is growing less than entitlements are growing. If the deficit was growing as fast as entitlement spending is growing, the Federal deficit would be even worse. So we are going to have to understand that fundamental point if we are going to come to grips with this.
Congressional Record—Senate 6195
March 24, 1993

Mr. NUNN. Mr. President, someone once paraphrased Isaac Newton saying for every action, there is equal and opposite criticism.

Last year when we proposed the Domenci-Nunn amendment on caps, there was one criticism that was repeated over and over again, and I have seen it in a number of editorials, and that is an entitlement cap is not specific.

They asked the question: Why do you not have specific cuts? Let me make one thing absolutely clear. The entitlement cap is no less specific than any other recommendation in this budget resolution.

If anyone can name one single specific cut that is set forth in this budget resolution, I want them to show me the language. Where is it? I do not know where it is. It is not in here.

Mr. President, where are the defense cuts coming from? Where are they coming from? We have $50 billion in Bush cuts to make. We have $60 billion in Clinton cuts to make plus another $62 billion that come from inflation savings and pay freezes. Between the Clinton defense cuts and the Bush defense cuts in the next 5 years, we have to find $170 billion. Does anybody tell us where that is coming from? No; it is not in the budget resolution.

Mr. President, when CBO recently said the Clinton administration had overstated the deficit reduction in the President's plan, the Budget Committee decided to make additional cuts, and they were assumed in the resolution. These $31 billion of additional cuts were made to the President's proposed investment package. If anyone can find the specifics of that $31 billion, I hope you will inform me.

I do not know what those cuts are. I think the President might want to know. Was it highway funding? Was it Head Start? Was it National Service? Perhaps someone could inform us.

What is that $31 billion coming from? Where are the $170 billion we are going to have to cut in defense coming from?

Let us get specific. If we are going to get specific, let us not just talk about entitlements. Let us get specific on all the cuts.

Let me give one more example. On page 5 of the report accompanying this resolution—this is the instruction to the tax-writing committees—it says as follows:

As is the case with all reconciliation instructions, the tax-writing committees are not bound to adopt any particular set of policies to achieve the additional revenues specified in this budget resolution. In fact, they may incorporate whatever statutory changes they deem appropriate.

That is as broad, Mr. President, as universal salvation. You can do anything you want. This whole budget resolution is that way. That is what we do on budget resolutions.
Mr. President, I hope we do not hear the charge that the Nunn-Domenici proposal is not specific again unless those who make that charge are willing to say where that $31 billion is coming from, and where the $170 billion is coming from, unless they can come up with real numbers.

Mr. President, there are several reasons why this cap on the growth of the entitlement makes sense.

First, simply math. I noticed that no matter who gets elected President, whether Reagan, Bush, or Clinton, that arithmetic does not change. It does not change. Adding and subtracting stays the same.

If they agree we have to get the deficit under control, it is obvious we cannot continue to exclude 50 percent of the whole Federal budget, and that is what we have done. We have excluded 50 percent of the whole Federal budget and pretended we were going to get the deficit under control. It is impossible.

The second reason is accountability and responsibility. Even if we did not have a crippling budget deficit and debt, leaving half the budget on auto-pilot is a bad way to run our fiscal policies.

The third reason is common sense. If this amendment passes, our entitlement cap says programs can stay at the current level, with current benefits, and grow with the general rate of inflation plus the number of people that are eligible to receive those benefits.

Mr. President, in my view, this is a straightforward rule of thumb the American people can understand, and I think when they understand it they will support it.

Fourth, this cap is not a cut, and I have said that, and I have said it rather emphatically, but I think everyone ought to know this is not a cut. This is a reduction in the growth of programs that is growing out of control. That is what we are doing.

Mr. President, some people have said—and will say again in this debate—that we cannot control entitlement spending, because it would make health care reform impossible.

Again, I ask the question: What are we going to do in health care reform if we are not going to save any Federal dollars? I know we want to save the private sector money. I know it is a complicated situation. I have tremendous confidence Mrs. Clinton is going to come up with a real plan and the President is going to propose a real plan, and we are going to have some real options for cost control. I do not understand the logic of saying we cannot have an entitlement cap because health care is included.

Mr. President, one of the problems in the last 10 years in the Congress is that virtually every serious budget debate or amendment, no matter who is in power, no matter who is in the White House, whether in the first 2 years of the Reagan administration or the first 2 years of the Bush administration or the first 2 months of the Clinton administration, every time we have an amendment out here, it is treated as if it is going to bring down the White House. It is not that they do not favor it. If they do not favor it, it is going to bring down the White House and it is going to do great harm to the President of the United States.

Mr. President, I think it is time for us as Republicans and Democrats to get beyond this rather simplistic treatment of the problems facing our country. I hope that we will begin examining issues on the basis of whether we are voting for or against our children and our grandchildren, not the White House, not the Democrats in the Congress, not the Republicans in the Congress.

What are we going to do around the turn of the century—and there may be some people here still in the Senate—I probably will not be—when our children and grandchildren come up to us and say: "Look, I just read in the paper this country is going absolutely broke. The country is on the road to going broke. Where do you put your money? How do you put it?" Do you put it in the Social Security trust fund? What are we going to do when we retire? Did you think about that?" What are we going to do when we get to around the year 2015 and we see that we now owe the Social Security trust fund, not $4 billion, but $4 trillion? This is something that no one talks about. I did not even hear Ross Perot talk about it last year.

Everybody assumes we are going to keep on borrowing from the Social Security trust fund. We raised the taxes in 1983. If those taxes had not been raised and the country not have governed for the last 8 years.

We raised Social Security taxes. The purpose was to provide for the day when we were going to have the baby boomers retire. We were going to put that money in a trust fund so that we would be able to retrieve it when it came time to pay the baby boomers their retirement, because we did not want to raise taxes to the point, in the year 2015, where our children and grandchildren would go broke and the country would go broke.

Now what happened to that Social Security trust fund?

Mr. President, I want to look at the figures. I want people to understand that. We are borrowing, in the operating fund, $47 billion from the Social Security trust fund this year.

Now we already have borrowed $327 billion from the Social Security trust fund since 1982. That money is borrowed by the operating fund. We do not even pay the interest. The interest comes due and we need another Treasury bill. So the Social Security fund that everybody believes is in such great surplus, what does it have? A whole lot of Treasury bills. How are they going to get paid back?

Let us look at what we are doing to our children and grandchildren if we do not get these entitlement programs under control.

We are saying, basically, to our children and grandchildren, for the first time in history, a generation is saying, we want to keep our standard of living up, so we are wrecking yours. That is basically what we are doing.

Mr. President, in 1990, we will borrow $55 billion from the Social Security trust fund. In 1994, we will borrow $62 billion from the Social Security trust fund. In 1995, we will borrow $69 billion from the Social Security trust fund. In 1996, we will borrow $77 billion from the Social Security trust fund. In 1997, we will borrow $85 billion from the Social Security trust fund. In 1998, we will borrow $85.5 billion from the Social Security trust fund. In 1999, we will borrow $165 billion. In the year 2000, we will borrow $117 billion. In the year 2001, we will borrow $129 billion.

In 2006, we will borrow $184 billion. In 2015, we will borrow $533 billion. In 2015, we will borrow $285 billion. And that is what we are doing to save the Social Security fund.

Because in 2015, we stop taking in as much money from the payroll tax as we start paying out from the Social Security fund. And at that stage, we are going to be indicted, we are going to be indicted by the people who are living in America at that time.

They are going to look back and say: How did you do this to us? How could you have been that irresponsible? How could you have done it in the 1980s? How could you have done it in the 1990s? How could you have done it in the 2000s? How could you have done it in the 2010s? How could you have done it in the 2015s? How could you have done it in the 2020s?

Who is going to pay for the Social Security recipients in the year 2016 to the year 2035? We will have to raise taxes to the point this country cannot be competitive if we keep going the way we are going.

So I say to those who oppose this amendment, fine; fine. But come up with your own entitlement cuts. Come up with your own. And if we are not going to do anything about them, then let us confess we have failed the future generations of America.

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

Mr. DOMENICI. Will the Senator from New Mexico yield 5 minutes to the Senator from New Mexico?

Mr. NUNN. Yes.
CONGRESSIONAL RECORD—SENATE

Mr. President, the point has been made here this evening. It appears to be the belief on the part of some of the proponents of this Nunn-Domenici amendment, that we have done nothing about entitlements in this budget resolution. The truth is that Clinton's budget, as modified by the Senate, cuts $56.2 billion in 5 years out of entitlements. That is four times more than President Bush cut in his last budget of $14 billion from entitlements.

So it is not as if we are asleep at the switch. I mean, we are reducing, or attempting to reduce, entitlements in this budget resolution and we are doing it by cutting reimbursements to beneficiaries.

Using the chart of my distinguished friend from New Mexico, which he took, I think, out of the back of the President's proposal, we see what happens when entitlements are not brought under control. We see what happens when we have a comprehensive health care reform package presented to us shortly. So I do not understand why we want to move down this track of trying to deal with the health care problem here this evening and leave 75 percent of it out there, not dealing with it at all. It appears to me we will be trying to do it on the backs of Medicare beneficiaries and on the backs of Medicaid beneficiaries.

The distinguished Senator from Georgia had some charts up there a moment ago. He had one going back to 1963. He had one going back to 1968. And, frankly, they are talking about last year's amendment. So I am hopeful that they will ask those who are sponsoring this amendment what it does, because the way we have done this amendment is different.

We will not be sequestering any of those nonoffending programs, and almost everything they are worrying about are nonoffending programs.

So let me, from that point, go on to why I think the Senate ought to adopt this.

Senator NUNN has told us that, without adopting some kind of a control, a cap on the major entitlement budget busters, Medicare and Medicaid, we are never, never, never going to control the deficits of the United States.

Now I remind everyone who is going to vote tonight or tomorrow on the budget resolution that is pending, that they are going to vote for $25 billion in new taxes, and there will not be one penny in genuine reform of the entitlement programs of this country.

So I just wonder if those who are going to vote for this would not feel that the American people are being done much more justice if you really cut the budget so that the $25 billion does not go down the drain.

Having said that, I believe what I just said helps the President of the United States, because I think the people really believe we are getting the budget under control with $25 billion in new taxes, but, as my friend from Georgia indicated, we are not.

Right here to my left is a very simple chart. And I did not invent it. The President of the United States put that chart in his vision statement.

If you look at the red line—the red line is what is going to happen to the U.S. deficit when we adopt President Clinton's plan, as most people plan to do here tonight or tomorrow—you see the deficit goes down and then goes back up.

In his own plan, in his vision book, he puts a green line in. And the green line reflects what you have to get mandatory expenditures under control and, more specifically, the President of the United States says, "Budget deficit with health reform savings." That is the green line. That green line cuts just about as much off the deficit as the Nunn-Domenici amendment.

The President is saying that is where we are going to be, this is where he wants to be. But there is nothing in this budget that says we are going to be there, unless you adopt the Nunn-Domenici, and others, amendment.

Then you will give the President what he has asked for and you will say to the reformers of health care, "When you put together the basic benefit package, be sure that you do that with targets in mind that come out of this mandate."

I believe, without it, we will have no significant cost containment within reform.

And for those who say, "What about the non-Government section of health care?", I will just say, I have talked to experts. I have asked them if you can save money of this type in the reform effort on the Government side without sending those costs to the private sector? Their answer has been unequivocally, yes, there need not be any shifting, if you reform it right and you reform the basic minimum package and, in the process, reform both Medicare and Medicaid.

So I am delighted to be a cosponsor. We put this idea together last year, Senator NUNN and I, with some prominent people in this country.

Tonight I am going to present it to the Senate of the United States as one of the principal ways to get the deficit of our country under control. I urge that we adopt it. And then I urge that the Senate put it in absolute mandatory sequester legislation and I will then be a long ways down the line to getting the deficit of the United States under control.

I yield whatever time I have remaining back to Senator NUNN.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, would the other side like to be heard on this point?

Mr. SAXBERG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Tennessee has 30 minutes. The Senator from Georgia has 9 minutes.

Mr. SAXBERG. Mr. President, I will just make a few points. Then there are a number of speakers on the floor who wish to speak.
1991, or whatever it was on the chart of the distinguished Senator, is millions of elderly have been lifted out of poverty by a combination of Social Security and Medicare. Social Security is almost 50 percent of the total entitlement payroll that is shown in the growth of entitlements there on the chart of the distinguished Senator. And Social Security is developing a surplus of $60 billion, just this year. And of course we have been dipping out of the Social Security fund to finance the general revenues of Government. But I did not hear a lot of complaints about that in the early eighties, when people in this body were voting for the Reagan tax cuts that deprived the Federal Treasury of 20 percent of the revenues. I did not hear any complaints about that and I did not see anybody coming out here—at least very few—complaining about the growth in military spending during that period of about 30 percent in real dollars. Some say it was huge. There were no complaints about that.

But not all of a sudden we are very worried about the cost of entitlements and the cost of health care. I am worried about it too. I think the proponents of this amendment are genuine in expressing their concern. There is no dispute here. The only dispute is how do we deal with it? We all know we have a problem. I think in good conscience want to deal with it.

What I am saying here this evening to my colleagues is we have a President now who is going to deal with it. Let us see what this administration and what this President does in dealing with the whole universe of health care costs. That is what we need to do. For us to stand here this evening and try to put into a budget resolution something that is going to deal with 25 percent of the whole universe of health care costs I do not think that is very productive. I do not think that is very productive and I do not think it is going to get the job done.

Why do I not stop here now and yield some time to other colleagues who want to speak?

The distinguished Senator from West Virginia wishes to speak and then the distinguished Senator from Arkansas and the able Senator from Minnesota and the distinguished chairman of the Finance Committee was here a moment ago and he indicated he wished to speak.

May I ask my friend from West Virginia how much time he would require?

Mr. ROCKEFELLER. Four or five minutes, just to make a few points.

Mr. SASSER. I yield 5 minutes to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the Presiding Officer.

I would say through the Chair to the distinguished Senator from Georgia that I am not sure that we disagree on the problem. I think what we disagree on—and very explicitly—is the cure.

Basically, if we were to adopt the cap that the Senator from West Virginia was speaking of, we would be cutting $123 billion under no formula, just totally arbitrarily, out of Medicaid and Medicare from the years 1996 through 1998—$123 billion. There is no thought, how that is to be done. It is just simply done.

Let me give an example of why the Senator from Tennessee is so correct and why his amendment is so good. And why the Senator from Georgia's is so deficient, in this Senator's judgment. Take, for example, Medicaid. Because President Clinton cares about health care—cared about it all during his campaign, cares even more about it now—and because he cares about deficit reduction and now joins both health care and deficit reduction in his thinking—as was pointed out by the chart over there—they do deficit reduction unless you do health care reform—you have to have a plan when you do these things. You do not just cut $123 billion out of Medicaid and Medicare with no plan, just by a mathematical formula that sweeps it away.

I will give an example: Drugs. Medicaid pays for prescription drugs, which my distinguished friend, Senator Pryor, knows about far better than I do. This health care reform package has not yet been done. The Senator from Georgia surely understands that it is in the process of being done but has not yet been done. That puts us in a weaker position to argue, because we cannot say what it will be. The decisions have not been made. But one decision that may be made is that any drug company that raises its price of prescription drugs more than the cost of inflation will lose all of its tax benefits in Puerto Rico. As a result, the pharmaceutical companies come into my office and other offices saying, well, do you cut the caps, just do not put it into law. Well, who knows about that?

But do my colleagues understand the relationship between having a health care reform plan in which there is a rule written about what will be the cost of prescription drugs in terms of their increase in price on an annual basis, and then the effect in turn of that on Medicaid? See, that is called planning. That is called thinking about what you are doing.

You just take a meat ax and cut out $123 billion—will the Senator from Tennessee and the distinguished Senator from Georgia agree that that is not the kind of planning that occurred to me. This Senator would enjoy having another 2 or 3 minutes.

Mr. SASSER. I yield 5 minutes to the distinguished Senator from Tennessee.

Mr. ROCKEFELLER. Mr. President, the Senator is very gracious.

You talk to the concept of cutting $123 billion. What does that mean for businesses? That means that they are faced on an arbitrary basis with enormous cost shifting. There is no plan, no concept of universal coverage in this amendment. What do we do? We just do an across-the-board cut. I will not say coldheartedly, done without any thought; done with just budget in mind—not people; not medicine; not health care; frankly, not the deficit in mind—just done so they can say it has been done, we cut it; and go home and talk about it.

Business would be furious because that means they are stuck with cost shifting forever because there is no concept of universal coverage, which President Clinton is now working on, along with some of the rest of us.

Talk to physicians about the idea of this $123 billion cut. Physicians would simply stop seeing Medicaid patients. They would stop seeing Medicare patients. Hospitals would stop seeing both of those because there is no plan. Now, if you put together cutting Medicaid and Medicare, that $123 billion that can make some sense. And, indeed, the President has already cut $56 billion out of Medicare, an extraordinary cut. I never thought that I, as chairman of the Senate Finance Committee, would even be part of that when it is not applied to health care or long-term care, but is applied to deficit reduction.

It is a very earnest efforts at deficit reduction, all out of Medicare, but I have confidence because I am working with the President and his wife and the task force on a plan so that if there are more cuts to come, it will be within a plan called universal health reform. I cannot emphasize how important that is. If you do something across the board, it is thoughtless. It might make somebody feel good; it might make somebody look good. But it is a disaster for health care reform; an absolute disaster for health care reform.

In fact, I will say further, it would eliminate any real possibility of there being any real possibility of there being any real possibility because you have taken all the cards off the table before you even begin to talk.

To my friend from Tennessee, I will say those are all the comments I will make at this particular moment.

Mr. SASSER. Mr. President, I thank the Senator from West Virginia. I yield 5 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair for recognizing me. I thank the distinguished chairman for giving me these 5 minutes.

Mr. President, in approximately 6 weeks, we are about to see a very, very unique thing happening to the U.S. Congress and for the American people because in 6 weeks, we are about to see,
March 24, 1993

CONGRESSIONAL RECORD—SENATE

6199

for the first time, a comprehensive health care bill come to the Congress of the United States for us to begin debating upon.

Mr. President, this will be the first time in some 40 years, or 30 years, that this Congress has had the opportunity to look at a comprehensive health care plan. That is 6 weeks from now.

Yet, I would adopt—tonight—and I have the greatest respect, Mr. President, for the distinguished Senator from Georgia [Mr. NUNN]. He has made an eloquent argument. But his argument falls, because I truly believe—and I say this respectfully—this particular proposal, if adopted by the Senate and ultimately by the other body, will do more to damage the prospects of the health care plan offered by this new administration to the Congress and the American people, because at that time we will see a health care plan that is totally, exclusively driven by numbers and not by policies. We will have set an arbitrary ceiling upon the costs and the spending, as Senator NUNN has said, of the cost of Medicare and Medicaid.

But what is the basic and root problem? What is the elemental problem with this proposal offered by our distinguished friend from Georgia tonight, Mr. President? It is the fact that we are going to see the U.S. Senate take a position saying that we are tackling the problem from the wrong end. I repeat that: Should we adopt the Nunn amendment, we are going to be tackling this problem from the wrong end.

Where we need to attack this problem is from cost containment. This is where the Clinton proposal is going to address the problem. The Nunn proposal does not address the problem from cost containment.

I am wondering, the distinguished Senator and the very fine colleagues who are supporting this amendment would be willing to also tonight say: OK, tonight, arbitrarily, we are going to set a cap on what a doctor can charge for a liver transplant or a heart transplant or a bypass or a lung cancer operation. Are we willing to set those caps? Are we willing to freeze those costs? Are we willing to arbitrarily, tonight, with no hearings and very little debate, make a monumental decision to basically paralyze the upcoming Clinton proposal on health care?

I am wondering, the distinguished Senator and the very fine colleagues who are supporting this amendment would be willing to also tonight say: OK, tonight, arbitrarily, we are going to set a cap on what a doctor can charge for a liver transplant or a heart transplant or a bypass or a lung cancer operation. Are we willing to set those caps? Are we willing to freeze those costs? Are we willing to arbitrarily, tonight, with no hearings and very little debate, make a monumental decision to basically paralyze the upcoming Clinton proposal on health care?

Mr. President, later in this year, there may be the proper opportunity to discuss what the distinguished Senator from Georgia is proposing to us tonight. There may be that chance. If there is, I will reconsider my position. But until then, now the new proposal offered by the new administration addresses the root of the problem, which is health care cost containment, in a comprehensive manner, I only beg my colleagues not to support this plan at this time and to vote the Nunn amendment down.

Give this new President a chance. Give this new administration an opportunity to present to the Senate and to the House and to the American people the first option, the first meaningful option that we have been given in the history of America, a sensible discussion about the health care costs and the cost of inflation of health care, and then we will be attacking the problem from the right end and not the wrong end.

Mr. President, I have had lot more to say about this issue. I see a lot of our colleagues who desire to speak. I yield back any time that I might have remaining.

Mr. NUNN. Mr. President, I have about five people who would like to speak. I want to make sure the Senator from Virginia has 4 minutes. If he could do it a little quicker than that, I have others who would like to speak.

I yield 4 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. BOBB. Mr. President, I thank the chief patron of this particular legislation. I will try to be brief.

Let me say at the outset that I have enormous respect for our new President. I have waited a long time for my party to nominate someone about whom I could be truly enthusiastic. I have tremendous respect for what he is doing. He has waited a long time for the country to get back on its feet. He has been at the joint session about 4 weeks ago. He truly challenged this country and this Nation to solve some problems, and he made us think about us and not me. He left all of us, I think, with the feeling that we had a mission and the ability to accomplish it.

My concern—and the reason that I am supportive, again, of the Nunn-Domenici amendment—is that with all of the good work, all of the challenge, all of the boldness that this President put into that address, if we do not do more than the plan accomplishes at the end of 4 years, those who felt they were making a sacrifice and making real progress are likely to be disappointed. And I do not want that to happen. I do not want people to be disappointed with a President who has so much potential to bring about the kind of change that I think is so critical for America.

This program, this particular proposal, is a very modest proposal. It does nothing for the first 2 years. In year 3, it simply begins to restrain the growth in entitlement programs. It still gives 1 percent above inflation, 1 percent above the new costs, 1 percent above program growth. And then the next year, it is 1 percent, and then zero.

This simply provides an outside force against which the President and his advisors can work to bring about the kind of cost reduction that I think they are determined to bring about through the health care reform proposals.

I commend the President for what he has done. I am supportive of the President's package. I believe this helps the President accomplish his goal. And because I have a number of colleagues who are waiting to speak, I will yield back my additional time.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I yield to the Senator from Oregon 1 minute.

Mr. PACKWOOD. Mr. President, an entitlement program is a program that goes up automatically without any further action of Congress. You get $100 in Social Security. If there is 10-percent inflation, you get $110. A discretionary program does not go up automatically. Education gets $100. If you have 10-percent inflation, it does not go up to $110.

Today, what we call entitlement programs, the automatic programs, plus interest, take 54 percent of the budget and everything else get 46 percent. In 10 years, those very same four programs, Social Security, Medicare, Medicaid, and other military and civilian retirement, will take 69 percent of the budget and everything else will get 31 percent. If we do not restrain the entitlement programs, you face two choices: Cut everything else—I do not mean defense; I mean everything else—or raise taxes to pay for it. The Nunn-Domenici amendment will push us toward restraining those entitlement programs.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, will the Senator from Tennessee—

Mr. SASSER. Mr. President, I will yield to the distinguished Senator from Massachusetts 3 minutes and then I have others.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, just a moment of history. The question of the failure to achieve universal comprehensive health care was in Teddy Roosevelt's package in the progressive movement at the turn of the century, universal health care at a price people could afford. We have been fighting for this program for a long period of time as a country. Harry Truman was asked, "What was your greatest failure as President of the United States?" The failure to achieve it.

Everyone understands that the principal mistake has been because we have been taking incremental action which would supposedly solve the problem. How glad we are that there are so many people who are interested in health care this evening on cost containment and cost control. Where have they been all this period of time? Where have they been?

Mr. Clinton has a program and it does have cost containment and it does have universality.
Tonight we hear these eloquent words talking about the budget, aimed at the budget, and it hits the elderly people and the poor people. Entitlements are for whom? They are for the neediest people in our society. They are the children, poor children; they are on an entitlement; they get Medicaid; they need more services. Well, let us do something about that tonight at 1 percent.

Who is going to tell those children who need the services? Who is going to tell the Medicaid recipients, increasing 25 percent in the last year, 13 percent increase in the number of people who are eligible? What are you going to do with those people? You cannot get doctors in this country to treat people on Medicaid. OK, that is too bad about entitlements.

Mr. President, this is a very, very serious mistake. It is a distortion of the thoughtful, hopeful, trusting American people who want comprehensive care and have a commitment by this President to do it that way. Let us reject the kinds of half solutions that have really brought us to the place where we are this evening with millions of poor children, elderly people who fear for their lives in terms of failure to have any health care coverage at a cost they can afford.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. The President from Pennsylvania rose first. How much time does the Senator wish?

Mr. WOFFORD. Two and a half minutes.

Mr. MOYNIHAN. Two and a half minutes. I am happy to yield to the Senator.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. WOFFORD. Mr. President, I was sent to the body by the people of Pennsylvania to get action on universal affordable health care. So if I thought the amendment by my good friends from Georgia and New Mexico would take us in that direction, I would be here, come what may, voting for it. I believe, on the contrary, that moving forward now before we have the chance to consider the comprehensive proposal for health care reform to control costs from the President of the United States would turn upside down a process that is going to work, has a chance to work, and we need to give the President's proposal a chance.

I was off the floor for a few minutes and did not learn whether the Senator from Massachusetts got an answer to his question put to the Senator from Missouri: Do you mean you are going to cap the whole of health care costs or do you just mean you are going to cap Government costs?

And of those Government costs, let me remind you, that are going up hundreds of billions of dollars, more than $100 billion a year, for each dollar we spend on health care, 27 cents is for Medicaid and Medicare, 14 cents is for other Government programs. The rest is paid by the American people by private insurance, out-of-pocket costs.

Are we only going to deal with 27 cents of the dollar with what we are talking about? If so, then we are talking about balancing the budget on the backs of the elderly and the poor. To deal with this deficit, we have comprehensive health care reform that has a cap over the whole of the health care cost system, and we will have a chance to do that beginning in May. Do not let us lose that chance by putting this cart before the horse that we have to put on the track in May.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Georgia has 5 minutes 16 seconds; the Senator from Tennessee has 6 minutes, 54 seconds.

Mr. WELLSTONE. I wonder whether it would be possible—

Mr. SASSER. Mr. President, why do I not yield 2 minutes to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, there are several other people who wish to speak. I wonder if it would be possible to extend this debate 5 minutes on each side.

Mr. SASSER. This is a very interesting debate, but let me tell my colleagues that after we conclude this and have two rollcall votes, we have about 30 amendments to vote on.

Mr. WELLSTONE. Mr. President, I take it that is an answer to my question?

Mr. SASSER. I yield to the distinguished Senator from Minnesota 2 minutes.

Mr. WELLSTONE. Mr. President, before I get started, a disclaimer. I was a teacher. I am now supposed to talk about this in 2 minutes. I will give it my best.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, 2 minutes. I do not even know how to do this. Why? Why this proposal, arbitrary, capricious, when we have now talked about a 4-year plan of deficit reduction, some investment, and we have a President of the United States, and I hope a Congress, committed to universal health care coverage which includes cost containment? Why? Because if it does not work, then you are going to be cutting benefits from Medicaid and Medicare people, and it is the cruelest thing you can do. And you have no plan. It is not tied in with any changes of how we deliver health care. Why? Because if you do not reach the caps this way, the Senator from Massachusetts is absolutely correct, zero on budget and policy priorities. Who are we going to cut? The School and Child Assistance Program for school lunch children? Are we going to cut supplemental security income program for Social Security recipients? Did I not hear a lot of discussion on the floor today about how awful it was to raise taxes on the higher income Social Security beneficiaries?

Mr. President, the question is why? And, boy, we can be abstract on the floor of the Senate. But these statistics mean something in human terms, and this would be cruel and it would be unconscionable and the timing of it is off, when we finally have a President, and I hope a Congress, that is going to take action on these very issues.

Was that 3 minutes, Mr. President?

Mr. SASSER. Mr. President, I think he was under 2 minutes, if I am not mistaken.

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. SASSER. I thank the Senator from Minnesota.

Mr. President, I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, listening to the debate level in this place, I must say to my colleagues I cannot wait for real health care reform to begin.

Somebody just recently challenged all of us who are standing up here supporting this amendment to say where have we been? Well, most of us, and those you will hear from tonight, have been for 15, 16, 17 years trying to get real health care reform, so I hope that is not lost on anybody.

I rise to compliment the bipartisanship of this amendment. I think that should not be lost on anybody because it is not lost on anybody in America.

And the people on the other side of the aisle can debate all they want about the fact we are anticipating something. The reality is you have in front of you a bipartisan effort to deal both with the problem of the deficit and the problem of the health care reform. If there are two things people in America and Minnesota care about, this is it. I really do not understand why we have this debate.

My colleagues from Arkansas said we ought to wait 6 weeks. We are. This is just the last chapter of the book. This is the one people turn to that says how much money we are going to save from all of this. This gives a very good indication of how much we can save. You can see it on the public programs, CPI plus one beginning in 1996. Just 3 years to get your reform going.

You can see the same thing in your private program. We can include that
private program here with some very obvious reasons.

The reality is—Minnesota is the proof of it—you come back to Minnesota in the middle or late eighties, we had a system in place. Everybody bought the Medicare program. We were at CPI plus one in those days. But the reimbursement formula killed the program. That is how simple it is.

Now we are doing the same thing on private programs. We are bringing those costs down. We were 10 percent above the national average 10 years ago, 15 below the national average today, we are headed for 30 percent. It can be done. I hope the President comes and shows us exactly how it can be done.

But the framework, the goal is in this amendment. I strongly urge my colleagues to support this amendment. It will help the President. It will tell the President we are ready to take on the tough issues, to take up the elderly program; we are ready to take on the problems of the country. That is the line that I hear from this amendment. I strongly support it particularly because it is a bipartisan approach to solving the problem. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 3 minutes to the Senator from New York and then to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as chairman of the Finance Committee, I rise not simply to state my opposition to this amendment but my dismay that it has been offered. This sense-of-the-Senate amendment includes language that calls for spending limits on mandatory spending programs excluding Social Security.

Sir, we have been talking about Medicare throughout this. Medicare is title 18 of the Social Security Act. It gives recipients a right to receive their benefits for which they have paid, through contributory insurance, the Federal Insurance Contribution Act. If we can strip this right from citizens, what else can we not do?

Sir, mark me: We put the Social Security program in shape in 1983. It is a surplus. The Senator, my friend from Georgia, says the surplus goes on for another quarter century.

If we adopt this amendment, how far are we from the point where we say we will cut retirement benefits in half? The Social Security Act extends to retirement benefits, disability, survivors insurance, and medical insurance.

If we are going to be so loose with language as to say title 18 of the Social Security Act is not Social Security, when will the day come when retirement benefits are not Social Security? When will the day come that we will have breached a contract with the American people that was entered into in 1935, has been meticulously adhered to for more than half a century, retirement benefits never a day late or a dollar less, and half a century! Here we are putting it at jeopardy due to our desires to keep some other programs going, the paid for contributory insurance of the American people.

If you want to put the Social Security system entirely at jeopardy, vote for this amendment, but I plead with you, vote no.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes, forty-eight seconds.

Mr. NUNN. I yield 2 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, just two points. I am a cosponsor of this amendment and I am proud to say that I support it in a strong bipartisan fashion, all of us believe must be done here; that is to say, mandatory spending should not be put off limits. Second, as someone who cares a great deal about comprehensive health care reform and believes that President Clinton has spoken quite eloquently to why it is important, that is in no way relevant to this particular amendment tonight.

It is 2 years before it even starts. I have confidence, Mr. President, that in that time we are going to fashion a strong comprehensive health care bill.

I yield any time remaining.

Mr. SASSER. Mr. President, I yield 1 minute to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, let me just say very briefly that there is a combination of failures in the budget process; we are bringing those costs down. We were 10 percent above the national average 10 years ago, 15 below the national average today, we are ready to take on the problem of the country. That is the line that I hear from this amendment. I strongly urge my colleagues to support this amendment but my dismay that I hear from this amendment. I strongly urge my colleagues to support this amendment. It will help the President. It will tell the President we are ready to take on the tough issues, to take up the elderly program; we are ready to take on the problems of the country. That is the line that I hear from this amendment. I strongly support it particularly because it is a bipartisan approach to solving the problem. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes, forty-eight seconds.

Mr. NUNN. I yield 2 minutes to the Senator from Kansas.

PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes, forty-eight seconds.

Mr. NUNN. I yield 2 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, just two points. I am a cosponsor of this amendment and I am proud to say that I support it in a strong bipartisan fashion, all of us believe must be done here; that is to say, mandatory spending should not be put off limits. Second, as someone who cares a great deal about comprehensive health care reform and believes that President Clinton has spoken quite eloquently to why it is important, that is in no way relevant to this particular amendment tonight.

It is 2 years before it even starts. I have confidence, Mr. President, that in that time we are going to fashion a strong comprehensive health care bill.

I yield any time remaining.

Mr. SASSER. Mr. President, I yield 1 minute to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, let me just say very briefly that there is a combination of failures in the budget process; we are bringing those costs down. We were 10 percent above the national average 10 years ago, 15 below the national average today, we are ready to take on the problem of the country. That is the line that I hear from this amendment. I strongly urge my colleagues to support this amendment but my dismay that I hear from this amendment. I strongly urge my colleagues to support this amendment. It will help the President. It will tell the President we are ready to take on the tough issues, to take up the elderly program; we are ready to take on the problems of the country. That is the line that I hear from this amendment. I strongly support it particularly because it is a bipartisan approach to solving the problem. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes, forty-eight seconds.

Mr. NUNN. I yield 2 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, just two points. I am a cosponsor of this amendment and I am proud to say that I support it in a strong bipartisan fashion, all of us believe must be done here; that is to say, mandatory spending should not be put off limits. Second, as someone who cares a great deal about comprehensive health care reform and believes that President Clinton has spoken quite eloquently to why it is important, that is in no way relevant to this particular amendment tonight.

It is 2 years before it even starts. I have confidence, Mr. President, that in that time we are going to fashion a strong comprehensive health care bill.

I yield any time remaining.

Mr. SASSER. Mr. President, I yield 1 minute to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, let me just say very briefly that there is a combination of failures in the amendment of the Senator from Georgia.

It is cruel for reasons which have been expressed in that it decimates at the rate of $123 billion over years, seniors, poor people, and children. It is foolish in that it brings with it no plan, no thought, simply a meet ax which takes $123 billion off something called entitlements.

It is destructive because it is an absolute broadside on the President’s health care reform plan, which completely negates what the good Senator from Kansas has just said, because there is every relationship between the Senator’s amendment and health care reform.

I will remind our colleagues that our parliamentary situation is that we first had the Sasser amendment. I hope they will vote for it because it is sensible; we then have the Nunn amendment. I hope they will vote against it, because it is not.

The PRESIDING OFFICER. Who yields time?
I think, if we had not had this exchange. May I have 3 minutes, no more, no less?

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The chair hears no objection. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I would like to pose this question to Senator Nunn and then Senator Sasser, or whoever would like to answer the question on the other side.

The White House, in two or three calls to me, within the last hour and a half, said that if this passes, it is going to eliminate any chance whatsoever for comprehensive health care reform. I, for one, have recognized for a long time that it was going to cost money to get into this matter of comprehensive health care.

My question is, first, to Senator Nunn. The White House says your measure will kill their plan. Please tell me why the White House is wrong.

Mr. NUNN. Mr. President, I say to my friend from Nebraska, if the White House is putting out that word, it can only be based on the assumption or the premise that the White House does not believe its own Health Care Reform Act is going to save the American taxpayers any money, or any appreciable money, and that the White House must believe that the health care costs to the taxpayers of America, beginning in 1996, even after a 2-year reform, are going to grow more than the rate of inflation, plus all the population you plug in, plus 1 percent for 2 years.

That would be the only conceivable explanation I would have. I do not think that is consistent with any of President Clinton’s past statements. It is not consistent with the chart that OMB puts out, or with the hundreds of billions of dollars that have been projected as savings, nor with the fiscal soundness of our Nation.

Mr. EXON. May I ask for a response from Senator Sasser?

Mr. SASSER. Mr. President, I am advised that the White House views this as detrimental to their health care proposal for a number of reasons, not the least of which are any savings that come from cost control; and there will be some cost control imposed here by this entitlement. It would be imposed unevenly and inequitably, in my judgment. But the cost controls and savings that will come from that are needed to finance the comprehensive health care proposal.

I think that is what the White House is saying. The distinguished Senator from West Virginia is much more knowledgeable in health care issues than I and, frankly, I would like to defer to his wisdom on this matter. Mr. SARBANES. Will the Senator yield?

The PRESIDING OFFICER. The Senator may yield.

Mr. SASSER. Mr. President, I ask for the yeas and nays on the Sasser amendment. The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

Mr. NUNN. Mr. President, I ask for the yeas and nays on the Nunn amendment. The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

Mr. SASSER addressed the Chair. The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, without prolonging this unduly, I ask for an additional 30 seconds of the Senator from Nebraska, provided I answered his question precisely and Mr. STEVENS. Reserving the right to object, Mr. President, there is a group of us that have 40 amendments here, and we do not get to say one word, and we have gone over 10 minutes on this amendment. Why is it that time can be allocated to those who already have spoken an hour and no time at all for those who have not had 1 minute to speak?

Mr. SASSER. Mr. President, I withdraw the request.

The PRESIDING OFFICER. The question is on the amendment by the Senator from Tennessee.

The clerk will call the roll. The assistant legislative clerk called the roll. The result was announced—yeas 95, nays 4, as follows:

Akaaka
Baucus
Bennett
Biden
Boxer
Bryan
Bumpers
Burke
Byrd
Campbell
Carlson
Condit
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Baucus
Bennett
Biden
Boxer
Bryan
Bumpers
Burke
Byrd
Campbell
Carlson
Condit
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Congressional Record—Senate

March 24, 1993

CONGRESSIONAL RECORD—SENATE

Durenberger,  Kerrey,  Robb
Faircloth,  Lott,  Roth
Gorton,  Lugar,  Shelby
Gramm,  Mack,  Simpson
Grassley,  McCain,  Smith
Hatch,  McCain,  Specter
Hatfield,  Nickles,  Thurmond
Helms,  Nunn,  Wallop
Kassebaum,  Packwood,  Warner
Kempthorne,  Pressler

PREVIOUSLY RECORDERED—
Boren,  against
NOT VOTING—1
Inouye

So the motion to lay on the table the amendment (No. 263) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, once again we are here at entitlement cap junction dealing with an amendment brought forward by my colleagues Senator NUNN and Senator DOMENICI.

We have been down this road before and at that time only 28 Senators voted for an entitlement cap, 4 Democrats and 28 Republicans. That was on April 10, 1992

Mr. President, I ask unanimous consent that the recorded vote for that amendment be included in the RECORD at this point.

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

[102d Congress, 2d Session, Apr. 10, 1992]

FIRST BUDGET RESOLUTION, 1993 (VETERANS' BENEFITS)

Bill No.: S. Con. Res. 106 (H. Con. Res. 287); amendment No.: 1779.

Subject: Mitchell amendment (to the Mitchell amendment No. 1778 [to the Domenici, et al., substitute amendment No. 1777] exempting Medicaid from the required cap and cut) which exempts Veterans' compensation programs from the cap that would be imposed on all entitlement programs by the McNamarra substitute amendment. (The Mitchell amendment No. 1778 fell when the Domenici, et al., substitute amendment No. 1777 was withdrawn.)


Result: Amendment agreed to.

YEAS 68
Democrats (50 or 63%)

Republicans (16 or 40%)
Burns, Coats, D'Amato, Grassley, Hatch, Jeffords, Kasten, McCain, McConnell, Murkowski, Packwood, Fosseller, Seymour, Specter, Stevens, Thurmond.

NAYS 28
Democrats (4 or 7%)
Bingaman, Boren, Nunn, Robb.

Republicans (24 or 60%)

NOT VOTING 6
Democrats (3)
Bradley–2, Dixon–2, Wirth–2.

Republicans (3)
Garn–2, Gramm–2, Wallop–2 AN.

EXPLANATION OF ABSENCE
1—Official Business
2—Necessarily Absent
3—Illness
4—Other.

SYMBOLS:
AY—Announced Yea.
AN—Announced Nay.
PY—Paired Yea.
PN—Paired Nay.

ANALYSIS OF ISSUE
Party Cohesion
Democrats—65%
Republicans—69%.

Measure of party support on this vote
For (65)
Democrats—50 or 76%
Republicans—16 or 24%.
Against (28)
Democrats—4 or 14%
Republicans—24 or 86%.

Mr. SASSER. Mr. President, now we are going to get into a debate very shortly about numbers—about billions and billions of dollars.

We will hear how the Nunn-Domenici entitlement cap will save billions of dollars and control the growth of entitlements.

But what about the effects of this entitlement cap? How does it affect veterans, farmers, senior citizens, Medicare and Medicaid beneficiaries and the like.

How do the organizations representing these individuals feel about this entitlement cap?

Well, they opposed the entitlement cap in 1992 and they oppose the cap now.

The Veterans of Foreign Wars representing 2.2 million men and women oppose the proposal.

The disabled veterans oppose the cap. They note that the budget agreement of 1990 already has cut veterans spending by over $3 billion between 1990 and 1995. They say that “to repeal current sequestration protections afforded veterans' entitlements and once again reduce veterans benefits—especially as a result of increased spending by other Federal programs—is unconscionable.”

The National Council of Senior Citizens notes, perhaps quite correctly, that once you cap trust fund financed programs, the next target will be Social Security.

The Child Welfare League of America notes that the entitlement caps will devastate foster homes and adoption assistance programs.

The National Conference of State Legislatures says that entitlement caps will simply shift the cost and burdens to State and local governments in order to continue to provide the same levels of benefits.

And the Food Research Action Center notes that the Congressional Budget Office would prevent approximately 12 million children currently receiving nutritional benefits from getting a nutritionally adequate diet.

So, I repeat Mr. President, here we are again. And if you want to indiscriminately cut benefits for veterans, disabled veterans, Medicare beneficiaries, civilian and military retirees, kids needing nutritional assistance, people receiving supplemental security income and the like—vote for the Domenici-Nunn amendment.

Only 28 Members of the Senate voted for this sort of proposals in 1992, and I can see no reason why any more should vote for this sort of policy now. And if you do vote for an entitlement cap, talk to your veterans, talk to your farmers, talk to your senior citizens, talk to your military retirees, talk to the people in your State that need nutrition programs, or Medicare and Medicaid, and ask them whether they should get an across-the-board reduction in their benefits.

The answer will be a resounding no. A resounding no.

So I say to anyone who did not vote for an entitlement cap in 1992, why would you want to vote for one now? Ask yourself that question as you vote on the very same proposal that was so soundly defeated in 1992.

Mr. President, I ask unanimous consent that the letters of support be printed in the RECORD.

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

ORGANIZATIONS OPPOSED TO NUNN-DOMENICI ENTITLEMENT PROPOSAL

Veterans of Foreign Wars of the United States.
Disabled American Veterans.
The American Legion.
Vietnam Veterans of America.
National Council of Senior Citizens.
National Association of Retired Federal Employees.
Families U.S.A.
Children's Defense Fund.
Child Welfare League of America.
American Hospital Association.
Association of American Medical Colleges.
American College of Emergency Physicians.
American Protestant Health Association.
Catholic Health Association.
Federation of American Health Systems.
National Association of Children's Hospitals.
National Association of Psychiatric Health Systems.
National Association of Rehabilitation Facilities.
Voluntary Hospitals of America.
National Conference of State Legislatures.
American Federation of State, County, and Municipal Employees.
Service Employees International Union.
Evangelical Lutheran Church in America

Food Research and Action Center

Veterans of Foreign Wars
United States of America


Hon. Jim Sasser
Chairman, Committee on Budget, U.S. Senate
Washington, DC.

Dear Mr. Chairman:

On behalf of the 2.2 million
men and women of the Veterans of
Foreign Wars of the United States,
I wish to convey our strong objection
to a proposal that would direct spending
caps on only selected mandatory spending
programs. Should this cap become law it
would result in veterans’ entitlement
programs being subjected to
sequestration because of growth in other
direct spending programs.

As you are well aware, Federal spending on
VA benefits and entitlements have been
reduced from approximately 4.8 percent in 1975
to a current level of approximately 2.4 percent.
Certainly, VA entitlements are not a major
contributing factor in the escalating Federal
deficit. In fact, while veterans benefits
were being reduced or eliminated other Federal entitlements have increased
dramatically.

Again, Mr. Chairman, the VFW opposes direct
spending caps and commends you for
pointing out the inequities in this ill-advised proposal.

Sincerely,

John F. Heilman
National Legislative Director.

Disabled American Veterans

Hon. Jim Sasser
Chairman, Committee on the Budget, U.S. Senate
Washington, DC.

Dear Mr. Chairman:
The Disabled American Veterans (DAV)
shares your deep concern that should a proposed program of
direct spending caps on mandatory spending
become law, it would subject certain veteran’s entitlement
programs to sequestration as a result of growth in other direct spending
programs.

Senator Sasser, as you are well aware, VA entitlements are not a major contributing factor in the overall Federal deficit. Quite to the contrary, the number of veterans and their survivors who receive service-connected death compensation payments has been on the decline for the past several years. Additionally, the percentage of federal outlays spent on VA benefits and services has been cut in half from 5.0 percent in 1975 to 2.4 percent in 1993.

I also wish to point out that the Omnibus Budget Reconciliation Act of 1990 (OBRA) required VA to reduce spending on veterans’ entitlements by $620 million in Fiscal Year 1991 and a total of $3.35 billion through Fiscal Year 1995. To meet these spending reductions, VA was required to suspend payments to certain incompetent veterans; institute a $2.00 copayment for prescriptions; repeal provisions permitting re-entitlement to survivors’ benefits upon termination of a former spouse’s or child’s marriage; limit vocational rehabilitation to certain age and disability recipients; and finally, I wish to point out that veterans’ benefits were being reduced or eliminated, other federal entitlements were being enhanced. The remarriage provisions for CIV-surviving spouses was liberalized. While the increased production was being afforded to incompetent Social Security beneficiaries. Suffice it to say, that veterans were not treated fairly under OBRA.

Additionally, President Clinton’s, as well as the House of Representatives’ Fiscal Year 1994 budget calls for an overall reduction of veterans’ benefits and services by $5 billion over the next five years.

To repeal current sequestration protections afforded veterans’ entitlements and once again reduce veterans’ benefits—especially as a result of increased spending by other entitlement programs—is unconscionable.

Senator Sasser, DAV certainly appreciates your efforts to point out the inequities contained in a proposed program of direct spending caps and we look forward to your continuing advocacy on behalf of America’s service-connected disabled veteran population.

Sincerely,

John F. Heilman
National Legislative Director.

The American Legion

Hon. Jim Sasser
Chairman, Committee on the Budget, Washington, DC.

Dear Mr. Chairman:
The American Legion cannot support legislation that replaces spending caps on entitlements unless all entitlements are included, such as, social security, Medicare, Medicaid, etc. This is especially the case if such a proposal would subject veterans’ entitlement programs to sequestration due to growth in other spending programs.

Many of the veterans who receive these benefits are on a fixed income and their livelihood depends on annual cost-of-living-adjustments. Many of those who receive these benefits paid a dear price such as the loss of an arm or leg or even the death of a spouse or parent. To deny them an annual COLA is to ignore their sacrifices.

The national deficit cannot and must not be balanced on the shoulders of those who had nothing to do with its creation. If every Federal agency had practiced the same budgetary restraint that the Department of Veterans Affairs has, there would be a national surplus rather than a deficit. Progress can be made to reduce the red ink, but it must be based on prudent decisions. Economically cripple any other group of Americans and they won’t help themselves is not the right approach.

Thank you for your continued leadership on this and other issues concerning America’s veterans. Your favorable consideration of the Legion’s concern would be greatly appreciated.

Sincerely,

Roger A. Munson
National Commander.

Vietnam Veterans of America, Inc.

Chairman Jim Sasser
Senate Budget Committee, Washington, DC.

Dear Mr. Chairman:

As a Vietnam Veteran of America, Inc. am adamantly opposed to the entitlement cap amendment to the Senate Budget Resolution proposed by Senators Nunn, Robb, Domenici and Danforth. This amendment would include a provision to place annual caps on total entitlement spending beginning in Fiscal Year 1996.

While veterans’ benefits were being reduced or eliminated, other federal entitlements were being enhanced. The remarriage provisions for CIV-surviving spouses was liberalized. While the increased production was being afforded to incompetent Social Security beneficiaries. Suffice it to say, that veterans were not treated fairly under OBRA.

Additionally, President Clinton’s, as well as the House of Representatives’ Fiscal Year 1994 budget calls for an overall reduction of veterans’ benefits and services by $5 billion over the next five years.

To repeal current sequestration protections afforded veterans’ entitlements and once again reduce veterans’ benefits—especially as a result of increased spending by other entitlement programs—is unconscionable.

Senator Sasser, DAV certainly appreciates your efforts to point out the inequities contained in a proposed program of direct spending caps and we look forward to your continuing advocacy on behalf of America’s service-connected disabled veteran population.

Sincerely,

John F. Heilman
National Legislative Director.

The National Council of Senior Citizens

Hon. Jim Sasser
Chairman, Senate Committee on the Budget, Washington, DC.

Dear Chairman Sasser:
The National Council of Senior Citizens (NCSC), on behalf of our five million members and 5,000 clubs and Councils nationwide, urges you to oppose the "total entitlement caps amendment" in the hope that it will pass and become law. If such an amendment were enacted it would result in veterans’ individual benefits and services being reduced or eliminated.

Again, I reiterate that the proposed entitlement cap is simply unacceptable because it rewards inaction for the concept of equal sacrifice.

Sincerely,

Paul S. Egan
Executive Director.

The National Association of Retired Federal Employees

Hon. Jim Sasser
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Dear Mr. Chairman:
The Budget Committee’s modified version of President Clinton’s budget proposals would be greatly harmed by an amendment expected to be offered by Senators Nunn, Robb, Domenici and Danforth. This amendment would include a provision to place annual caps on total entitlement spending beginning in Fiscal Year 1996.

If the Senate fails to pass reconciliation legislation that meets the cap, an automatic sequester of entitlement programs, excepting social security, would occur. Federal retirees depend on this program to provide inflation protection. This unfairness on top of the sacrifices already made is totally unacceptable.

Sincerely,

Lawrence T. Smedley
Executive Director.

President, National Association of Retired Federal Employees.
March 24, 1993

CONGRESSIONAL RECORD—SENATE

C.W. CARTER, President.


Hon. Jim Sasser,
Chairman, Budget Committee, Dirksen Senate Office Building, Washington, DC.

Dear Senator Sasser:

I understand that an amendment to the President’s economic package may be offered that would put a cap on Medicare and Medicaid spending. Such an amendment would bring disastrous results.

Isolated cuts in Medicare and Medicaid, without comparable cuts in private sector health spending, would exacerbate existing problems. First, they could result in higher out-of-pocket health costs—through added premiums, deductibles and copayments for poor people and seniors. For too many program beneficiaries, these costs are already unaffordable.

Second, by reducing Medicare and Medicaid aid payment levels for health care providers, fewer physicians and hospitals would keep their doors open for the elderly and the poor. Already there is a large discrepancy between what doctors and hospitals receive from privately insured patients versus payments from Medicare and Medicaid. If that discrepancy grows, discrimination will increase as fewer physicians and hospitals would keep their doors open for the elderly and the poor.

Third, doctors who continue to treat seniors and the poor who would make up for lost Medicare and Medicaid income by shifting more health-care costs onto everyone else. Thus, the health-billing shell game would continue to get worse. Costs would be shifted to middle-class families and to businesses but not contained.

A major contribution to deficit reduction would result from relying in all health-care spending—Medicare and Medicaid—by placing effective limits on what Americans are charged for our health care. Currently, the cost is being passed on to us.

In conclusion, let me reiterate our position. We strongly urge you to oppose this amendment.

Sincerely,

Ron Pollack,
Executive Director.

Children’s Defense Fund,

Hon. Jim Sasser,
Chairman, Budget Committee, U.S. Senate, Washington, DC.

Dear Mr. Chairman:

I am writing to express my dismay that some members of the Senate are once again threatening placing a cap upon entitlement programs. Children, our nation’s future, will be the primary victims of such an arbitrary rule. Children already face numerous burdens and obstacles in our country, and the entitlement programs for them are already the stingiest and most limited. Placing a cap upon entitlement programs will only exacerbate these problems. At a time when we have opportunities to make a real difference for our children, we must take action. Moreover, for Congress to pass such an arbitrary rule.

Last year, the Congressional Budget Office listed the following programs which benefit children and their families as covered by entitlement programs: Foster Care and Adoption Assistance, Medicaid, Unemployment Compensation, Food Stamps, Pell Grant Scholarship Programs, Supplemental Security Income (SSI), and guaranteed student loans. These are the very same programs which are rescuing children and their families during these tough economic times. It is the very fact that they are not capped which has provided the much-needed, if wholly inadequate, “safety net”.

The costs of health care are the source of the large entitlement spending increases. But capping Medicare and Medicaid is the wrong answer at a time when access to quality care for the most vulnerable populations is needed, not reduced. The administration’s cap would cause more harm than good. We urge you to oppose any amendments to cap entitlement program spending.

Sincerely,

Marian Wright Edelman,
President.

American Public Welfare Association,

Hon. Jim Sasser,
U.S. Senate, Washington, DC.

Dear Senator Sasser: We understand the Senate will shortly consider an amendment to cap entitlement program spending.

Although we recognize the amendment includes an inflation factor adjustment, we register our concern that this amendment would be very damaging to low income families and children. If programs that serve these vulnerable populations can be affected by many unpredictable changes, particularly economic downturns and health care costs. A more appropriate solution to the latter problem is national health care reform.

We strongly urge you to oppose this amendment.

Sincerely,

A. Sidney Johnson III,
Child Welfare League of America, Inc.,

Dear Senator:

The Child Welfare League of America, Inc., strongly supports the FY94 Budget Resolution, S. Con. Res. 18, and opposes any amendments which would impose a cap on means-tested entitlement programs or otherwise harm America’s growing number of vulnerable and at-risk children and families.

CWLA is a membership organization composed of 700 public and private nonprofit agencies and programs which provide a range of services to some of the most vulnerable in our country—seriously abused or neglected children, homeless children and care and children awaiting adoption. As the numbers of such children have escalated rapidly in recent years, and their seriousness and complexity of their problems have multiplied, help and assistance for these infants, children and youth has been increasingly inadequate. S. Con. Res 18 supports crucial new investments in the lives and well-being of these children and their troubled families.

Efforts to cut means-tested entitlement programs—particularly Foster Care and Adoption Assistance and Medicaid (Titles IV-E and XIX of the Social Security Act)—would be especially harmful to these children.

The Federal Foster Care and Adoption Assistance Program is a means-tested entitlement program which provides basic support for abused and neglected children who must be separated from their parents and placed in foster care, as well as for surrogate and children seeking loving and permanent adoptive homes. These children have severe problems, ranging from prenatal exposure to crack cocaine and alcohol, serious handicaps and emotional disabilities, and efforts to limit IVE support would only add to their problems.

Medicaid is another means-tested entitlement program of vital importance for abused and neglected children, foster care and children awaiting adoption. Many of these children exhibit significant physical, mental, emotional and developmental problems associated with the traumas they have suffered and rely on Medicaid to help them overcome these problems and lead healthy and productive lives. Capping Medicaid assistance could be especially threatening to these youngsters.

We urge you to vote in favor of S. Con. Res. 18 and oppose any amendments to cap means-tested entitlement programs.

Sincerely,

David S. Liederman,
American Hospital Association,
Association of American Medical Colleges,
American College of Emergency Physicians,
American Protestant Health Association,
Catholic Health Association,
Federation of American Health Systems,


Hon. Daniel K. Akaka,
U.S. Senate, Washington, DC.

Dear Senator Akaka: As organizations representing health care providers, we strongly urge you to oppose any amendments to place caps on Medicare, Medicaid, or other entitlement spending during your consideration of the fiscal year (FY) 1994 budget resolution.
Imposing caps on Medicare and Medicaid spending, as well as other entitlements, would arbitrarily restrict spending on health care without any rational basis and avoids dealing with the reasons for health care cost inflation. By not addressing the underlying cause of the growth in health spending, this proposal would aggravate, rather than relieve, the defects inherent in our health care system. Spending caps would not spur needed change in the health delivery system so that it is more patient-centered, but would simply lock in the status quo or any recent reform.

The President has already called for $48 billion in savings from the Medicare program and $10 billion in savings from Medicaid over the next five years through a variety of reductions in payments to hospitals, doctors and other providers. Furthermore, the Administration has labeled these reductions in payments to hospitals, doctors and other providers for the care they render. Further similar effect has occurred at the state level.

It is imperative that states participate as full partners in reshaping entitlement programs. For some time, we have been working to find means to bring healthcare growth in check. We urge you to vote against any amendment that would cap entitlements.

Sincerely,

EDWIN S. JAYNE,
Associate Director of Legislation.

DEAR SENATOR DOMENICI: We urge you to defeat all attempts to cripple the strong and viable food assistance programs. We urge you to defeat all attempts to cripple the strong and viable food assistance programs.

Sincerely,

JOHN S. SWENNEY,
International President.

The Above-listed Health Care Organizations.

NATIONAL CONFERENCE OF STATE LEGISLATURES,

Hon. PETE DOMENICI,
Dksen Senate Office Building,
Washington, DC.

DEAR SENATOR DOMENICII: As an organization that represents state governments, we recognize that the reduction of the federal deficit is a necessary condition of sound policy is critical to the economic future of America. However, while serious deficit reduction may require reducing federal entitlements, the cost of the entitlement programs could only have an adverse impact on the ability of providers to continue offering the same level of high quality care.

The difficulties of achieving meaningful deficit reduction, we do not believe that placing arbitrary caps on entitlement spending should be a basis for accomplishing this end. Neither will it result in sound health policy. We, therefore, strongly urge you to oppose any attempt to place caps on entitlement spending as you develop your FY 1994 budget resolution.

Sincerely,

The Above-listed Health Care Organizations.

NATIONAL CONFERENCE OF STATE LEGISLATURES,

Hon. PETE DOMENICI,
Dksen Senate Office Building,
Washington, DC.

DEAR SENATOR DOMENICI: As an organization that represents state governments, we recognize that the reduction of the federal deficit is a necessary condition of sound policy is critical to the economic future of America. However, while serious deficit reduction may require reducing federal entitlements, the cost of the entitlement programs could only have an adverse impact on the ability of providers to continue offering the same level of high quality care.

The difficulties of achieving meaningful deficit reduction, we do not believe that placing arbitrary caps on entitlement spending should be a basis for accomplishing this end. Neither will it result in sound health policy. We, therefore, strongly urge you to oppose any attempt to place caps on entitlement spending as you develop your FY 1994 budget resolution.

Sincerely,

The Above-listed Health Care Organizations.

NATIONAL CONFERENCE OF STATE LEGISLATURES,

Hon. PETE DOMENICI,
Dksen Senate Office Building,
Washington, DC.

DEAR SENATOR DOMENICI: As an organization that represents state governments, we recognize that the reduction of the federal deficit is a necessary condition of sound policy is critical to the economic future of America. However, while serious deficit reduction may require reducing federal entitlements, the cost of the entitlement programs could only have an adverse impact on the ability of providers to continue offering the same level of high quality care.

The difficulties of achieving meaningful deficit reduction, we do not believe that placing arbitrary caps on entitlement spending should be a basis for accomplishing this end. Neither will it result in sound health policy. We, therefore, strongly urge you to oppose any attempt to place caps on entitlement spending as you develop your FY 1994 budget resolution.

Sincerely,

The Above-listed Health Care Organizations.

NATIONAL CONFERENCE OF STATE LEGISLATURES,

Hon. PETE DOMENICI,
Dksen Senate Office Building,
Washington, DC.

DEAR SENATOR DOMENICI: As an organization that represents state governments, we recognize that the reduction of the federal deficit is a necessary condition of sound policy is critical to the economic future of America. However, while serious deficit reduction may require reducing federal entitlements, the cost of the entitlement programs could only have an adverse impact on the ability of providers to continue offering the same level of high quality care.

The difficulties of achieving meaningful deficit reduction, we do not believe that placing arbitrary caps on entitlement spending should be a basis for accomplishing this end. Neither will it result in sound health policy. We, therefore, strongly urge you to oppose any attempt to place caps on entitlement spending as you develop your FY 1994 budget resolution.

Sincerely,

The Above-listed Health Care Organizations.
March 24, 1993

CONGRESSIONAL RECORD—SENATE 6207

We urge you to vigorously oppose all efforts to put these egregious caps on entitlement programs.

Sincerely,

EDWARD M. COONEY,
Deputy Director
ELLEN S. TELLER,
Staff Attorney.

Mr. MITCHELL. Mr. President, and Members of the Senate, we are now at a point in these proceedings that is without recent precedent. We have utilized all of the 50 hours prescribed by the Budget Act on the budget resolution. We have disposed of 30 amendments and consumed the full 50 hours. A number of Senators have filed amendments which have not yet been considered. Some of them are germane to the resolution, some are not. In order to accommodate the sharply conflicting interests of Senators in this situation and permit us to complete action in a reasonable time, I am going to momentarily suggest the absence of a quorum so that the Republican leader and I and the managers can meet briefly to discuss the best way to proceed in an effort to respond to the numerous requests I have had this evening, now exceeding 20 or 25, about what time are we going to leave, how long are we going to go, when are we going to finish and questions of that type.

I think it makes sense to at least attempt to discuss and determine a procedure for handling the situation that accommodates as many people as possible. I do not expect that to last more than just a few minutes. I ask our colleagues to forebear and be patient during that period.

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

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MITCHELL. Mr. President, and Members of the Senate, under the Budget Act all of the 50 hours on the resolution having been used, there is no further time for debate. However, under the same act, any Senator who now wishes to do so may offer an amendment on which a vote would occur immediately. We have many differences on issues, but I think we can all agree on one thing, that this is a very poor way to legislate.

Amendments can now be offered in which no one knows what is in them, no one knows if they are germane, no one knows if they are subject to a point of order, no one knows if they have anything to do with the resolution. Some of them I believe will involve subject matter which has been the subject of previous amendments on the resolution. Whether or not we ought to change the rules is a subject for another day. We have to deal with the situation as it now exists. Therefore, I believe the Republican leader, the managers, and I have discussed it, and we believe there is no alternative but simply to proceed to begin to take up the amendments and to act on them.

Since almost all of the large list of amendments are being proposed by Republican Senators, we have agreed that the Republican leader, acting on behalf of his colleagues, will designate the first several of the amendments to be offered, and that we will then act upon each of those amendments without debate or any intervening action.

I now direct an appeal to my colleagues on the Democratic side.

I repeat this is a poor way to legislate. You are being asked to vote on amendments which you have not seen, which you have not read, which you have not had a chance to consider, which you have not seen, which you have not read, which you are germane to this resolution.

You do not know whether they are subject to a point of order, you do not know whether they have anything whatsoever to do with the resolution. We must complete action on this resolution by noon tomorrow under prior agreement.

Therefore, I have concluded that the only responsible way to deal with this situation is simply to table every amendment, not attempting to pass a judgment on the merits of it, because I cannot say to you, I cannot represent to you, that an amendment is without merit if I have not seen the amendment. Neither can you make that judgment. But the fact of the matter is we have debated this for a full 50 hours as permitted under the act. We have acted on 30 amendments. I think it is time to move on. We are not going to get through this, the only way we are going to get this done and get it over with, is simply to proceed and act on the amendments.

So I ask my colleagues to join with the chairman of the Budget Committee and simply vote to table every amendment. If it is a meritorious amendment, there will be a proper place to deal with it. This is a budget resolution which is an internal congressional document which does not in any event become law. The Constitution requires that in order for an action to become law, it must be passed by both Houses of the Congress and presented to the President for signature.

This resolution will not be presented to the President for signature. Therefore, if someone has a serious amendment which they want to become law, there will be an appropriate legislative mechanism to present it. This is not that mechanism. Anything that we do have is not going to become law. Therefore, I strongly urge and encourage my colleagues to join the chairman of the committee, and myself, in voting to table these amendments so that we can get through this business and get on with it.

I want to say that I apologize to anyone who offers a meritorious amendment. Obviously every person offering an amendment will believe it to be meritorious. Otherwise they will not be offering it. But I know of no other way to deal with this in a reasonable and responsible way. There simply is not time for anyone to evaluate an amendment. There is hardly time to discern the title. Since there is no opportunity to debate, we just do not have the chance to have a full understanding of the matter.

At the last count, I had—I am certain I am not up to date on this—there were nearly 50 amendments that have been filed. Of course, the rules do not require that an amendment have been filed in order to be offered.

I know that my colleagues on the Republican side are making a genuine, good faith effort to reduce the number that will actually be offered and voted on. But at this time we do not have any way of assurance on what that total number will be.

I have concluded my statement on this subject. I suggest we proceed. Before we do, I would like to yield to the distinguished Republican leader for any comments that he may wish to make to and the managers if they wish to do so.

Mr. METZENBAUM. Would the majority leader yield?

Mr. MITCHELL. Yes.

Mr. METZENBAUM. Under the circumstances would it not make sense to have 10-minute rollcalls without any 5-minute lag period so we can keep going?

Mr. MITCHELL. That is what we are going to do.

Mr. DOLE. Mr. President, in fact we think we can have—I discussed this with the majority leader—10 minutes on the first, and 7 ½ minutes on the subsequent votes.

Mr. President, let me indicate that it is not the best way to legislate but many of my colleagues on this side, not because of any fault of their own, did not have an opportunity to debate the amendments during the 50 hours. It used to be 100 hours under the budget; we cut it back to 50 hours.

In 1981, there were 31 amendments to the budget resolution. I do not think there were any motions to table made. They were all, with one exception, defeated. They were to restore immunization funds, restore veterans, a lot of restoration funds in the budget. But I think there is one difference between now and the past; that is, there is a 12 o’clock noon deadline tomorrow.

So on this side it is obviously in our interest to proceed as the majority leader indicated because we may be cut out tomorrow if we come back and start at 3:30, with 7 ½ minutes per vote
or whatever it takes tomorrow morning. At 12 noon we are finished.

Many of our Members would like to have a vote. They have not had a chance to debate, but they would at least like to have a vote on their amendment.

So it is my suggestion to do as the majority leader suggested. Let us proceed quickly as possible. If Members will stay here, we can dispose of 10 or 11 of these in a fairly short time. That would only leave 10 or 11 tomorrow morning. We are trying to reduce the list. Right now, I think there are 29 amendments that have been filed, and we would also suggest that we have some agreement that this is the list, that we have a finite list, and we do not add anymore overnight. We will try to get that agreement after the next vote.

So we are prepared to proceed, so that we can accommodate all of our colleagues, and at the same time protect those who have had no opportunity to debate their amendments but do want to vote.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER, (Mr. AKAKA). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to the Senate—in particular to the Republican Senators, first of all—I do not want to leave the impression, nor do I think the majority leader did, that because Republicans still have amendments, that we are somehow dilatory, or we are asking for some kind of special treatment. The truth of the matter is, we have been very cooperative. As a matter of fact, this is the first time since we have done this—and I have been on all of them—we have gone out of our way to get the amendments printed. I was here one time until 3 in the morning, and Senators were calling them up and sending them up there. That is in frustration that people were trying to get an answer as to what was in them.

We started early saying let us do them right, so that when Senator Craig raises any question, the Senator from New Mexico will say number such and such. If you want to get ready in advance, you can pass out his amendment. That is a much better way to do it than we have ever done.

I thank our Senators for being cooperative in that regard. With reference to how people vote, I suggest that your leader suggested one way. I submit there are going to be just as real votes out of this than if the majority leader suggested another way. I submit that there is a rational explanation that people want to do so may do so. If the majority leader chooses to table them, I think you are going to know what your are tabling. Some of them are going to be very important amendments, as they have been in the past, to issues in our respective States.

So we are going to be ready on our side. We have a list. We hope you are all going to be satisfied with our efforts to start a list of 10, and then we will work quickly for another list of 10. We hope to get as many of them, if not all, completed in the time allowed before noon tomorrow. I thank the leader.

Mr. MITCHELL. Mr. President, if I might state in response, first, I did not, either explicitly or implicitly, suggest that the amendment is not a first-degree amendment. Quite the opposite. We have been attempting to do this in a cooperative way, and the fact of the matter is, as everybody here knows, I am sure, if we were acting in bad faith, we could offer an unlimited string of second-degree amendments to the first Republican amendment that came up, and there would not be any votes on any Republican amendments. I, obviously, could make a nondebatable motion to adjourn until noon tomorrow, and there would not be any Republican amendments. Obviously, we are not going to do that, because there is no desire to do anything to impede a vote. It is an attempt to accommodate in good faith what is an unusual situation, to say the least.

Mr. DOLE. Mr. President, if I might say to the Members on this side, be prepared in the order we have. Unless there is objection on the other side, this is the order: Senator BURNS, Senator CRAIG, Senator DURENBERGER, Senator STEVENS, Senator BROWN, Senator WARNER, Senator McCaIN, Senator THURMOND, Senator SPECTER, Senator KASSEBAUM, and Senator BROWN.

Mr. BRADLEY. Mr. President, reserving the right to object, is the majority leader's intention that the only people offering amendments would be the Republicans? I would like to offer one at least after the first two or three, or whatever the majority leader feels would be appropriate.

Mr. MITCHELL. Well, so far, the list that we have, and I do not know the exact number. There are barely 50, and they were Republican amendments. I was unaware of the amendment the Senator wishes to offer. No Senator can be precluded from offering an amendment. Any Senator who wants to do so may do so.

I hope Senators will not do so. We really have to finish action on this. I just want to comment further on what the Senator from New Mexico said about the significance of these amendments. We are all aware of what is occurring. Amendments are going to come up here that may be popular on a particular issue. It may have nothing to do with this resolution. Obviously, you will be on record at least on a motion to table.

But I do not know what the alternative to this is. It seems to me that it is a rational explanation that, first, a cut anybody off. Rather, it is an attempt to accommodate in good faith.

Mr. MITCHELL. That is correct. At noon, whatever amendment we are on will be disposed of, and there will be no further amendments.

Mr. LEVIN. They will just fall by the wayside?

Mr. MITCHELL. Any amendment not offered and disposed of will not be in order.

Mr. DODD. Is there a time agreement on each amendment that has already been agreed to?

Mr. MITCHELL. There is no time.

Mr. DODD. Will there be 10 or 15 minutes per amendment?

Mr. MITCHELL. I am going to shortly request that the votes be 10 minutes. I am hoping that all Senators are present or within easy reach of the Capitol, and that this discussion has gone to those who are not an opportunity to get here.

Mr. STEVENS. If the majority leader will yield for a question, Mr. President, I would like to ask the majority leader this. Some of us were here on the floor several times seeking time. I did on several occasions. The Members on your side used their time exclusively, totally, and we were not involved at all even in getting time allocated on some of these amendments. The leader indicates these are not pertinent, and that implied somehow to me that there is some ulterior motive in these amendments.

If that is the case, I am very sad, because the amendment I have, I filed on Monday. I have had no time. As a matter of fact, I did not know about the unanimous-consent agreement that cuts the amendments off by noon tomorrow. The law says we are entitled to offer amendments.

In any event, I wonder about this concept of tabling every amendment without any knowledge at all of what is in the amendment.

Mr. MITCHELL. Mr. President, if I might explain, first, I did not intend to suggest an ulterior motive by the Senator from Alaska or anybody else. I sincerely would not have done that in any event. Secondly, the only thing worse in my mind in tabling an amendment is that you do not know the contents of it to vote for the amendment that you do not know the contents of.

We are forced into a difficult situation. First, on the resolution, the time was equally divided. There should be no implication that Members of the Democratic side got more time than the Republican Senators. They did not.
The time is equally divided under the Budget Act, and the responsibility of handling the matter on each side rests with the managers.

So I do not know what happened to the Senator's amendment. I have no way of knowing. I am very sympathetic to him. As I said, there might well be some amendments I believe to be meritorious and would otherwise vote for them. As I said, asking a Senator to vote for an amendment on which he does not know the subject, he does not know what is in it. I think is not a prudent thing to do. I would prefer for myself—and I am urging my colleagues, and I respect the Senator—to vote to table it, and give the Senator offering it an opportunity at some later time—perhaps in some cases on a more appropriate legislative vehicle—to present it.

This does not foreclose any action in the future on any measure. Several Senators addressed the Chair.

Mr. WARNER. Mr. President, there is no way for the distinguished majority leader to know this without my statement. I was here on Monday, which was a day that few of us were here, and my manager said: "Put your amendment up and debate it," which I did within the timeframe that he gave.

So when the majority leader said no one knows about it, my amendment is in Monday's RECORD, was debated 10 minutes, and the amendment and the debate is in the RECORD. It is germane and relating to national defense. I thank the Senator.

The PRESIDING OFFICER. The Senator from Montana [Mr. BURNS] is recognized.

AMENDMENT NO. 190

(Purpose: To reduce the revenue level contained in the budget resolution by an amount sufficient to assume an exemption under the Btu energy tax for off-road fuel use and to offset lost revenues by reducing spending increases)

Mr. BURNS. Mr. President, I ask unanimous consent that the Senator's amendment. I have no objection. The amendment under the rule must be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows: The Senator from Montana, [Mr. BURNS], proposes an amendment numbered 190.

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

Mr. SASSER. Mr. President, I move to table the amendment of the Senator from Montana.

Mr. STEVENS. I object. The amendment under the rule must be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

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

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

The amendment is as follows:

On page 2, decrease the amount on line 18, by $20,000,000.

On page 2, decrease the amount on line 19, by $10,000,000.

On page 3, decrease the amount on line 2, by $40,000,000.

On page 3, decrease the amount on line 4, by $20,000,000.

On page 3, decrease the amount on line 6, by $50,000,000.

On page 3, decrease the amount on line 10, by $20,000,000.

On page 3, decrease the amount on line 11, by $40,000,000.

On page 3, decrease the amount on line 12, by $40,000,000.

On page 3, decrease the amount on line 13, by $10,000,000.

On page 3, decrease the amount on line 14, by $50,000,000.

On page 4, decrease the amount on line 6, by $20,000,000.

On page 4, decrease the amount on line 7, by $40,000,000.

On page 4, decrease the amount on line 8, by $50,000,000.

On page 4, decrease the amount on line 9, by $40,000,000.

On page 4, decrease the amount on line 11, by $50,000,000.

On page 4, decrease the amount on line 15, by $20,000,000.

On page 4, decrease the amount on line 18, by $40,000,000.

On page 4, decrease the amount on line 17, by $60,000,000.
Mr. STEVENS. The purpose of the amendment was not read. I will object every time unless you say what the purpose of the amendment is.

Mr. MITCHELL. Is this the Senator's amendment?

Mr. STEVENS. No. I continue to object.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that there be a 10-minute rollcall vote on—

Mr. SARBANES. Give 15 minutes on the first one.

Mr. SASSER. Fifteen. I withdraw the request.

Mr. MITCHELL. Mr. President, the Senator from Alaska has requested, and I am not certain what he had asked.

Would he restate the request.

Mr. STEVENS. Mr. President, the purpose of the amendment was not even read before the motion to table was made. I do not see any reason to make a motion to table before at least the body is informed of the purpose of the amendment. It is just a sentence.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MITCHELL. Mr. President, it was the offeror of the amendment, Senator BURNS, who asked that the reading be dispensed with.

Mr. FORD. What I was getting ready to say is he asked for the yeas and nays. We did not. And the manager of the bill on this side moved to table.

Mr. STEVENS. It was his request, not the request of the leader.

Mr. SASSER. Mr. President, let me say I am prepared to stand on this floor until 12 o'clock noon tomorrow. I will be delighted to listen to the reading of all amendments, and I will be pleased to go through 15 minutes of rollcall votes on all amendments if that is what the Senators desire to do. But the majority leader is simply trying to show his ability and in such a way so that all amendments can be dealt with in an expeditious way.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I suggest the following: Let us proceed with the first amendment. With respect to the second amendment and each amendment thereafter, I request that the majority and minority staffs combine their formidable talents and develop a brief statement of the intention of the amendment that be read at the time of each amendment as it arises, and I mean brief. If it cannot be agreed to on both sides, then it is not going to be continued. But if we can proceed to get this done, I do not want to get into the situation where a statement of the intention of the amendment is a mechanism for avoiding the time for debate. The longer we go on this and the more time we spend, the less we are going to accomplish.

The first vote is going to be a 15-minute rollcall under the ordinary rules because we do not know where all Senators are or how much notice they had. Following that, I will make a determination on how best to proceed.

Mr. SARBANES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SARBANES. If the regular order is invoked is the regular order now the presentation of the amendment, a reading of the amendment, and a 15-minute vote?

The PRESIDING OFFICER. That would be the order.

Mr. SARBANES. That would be the regular order.

Mr. MITCHELL. Mr. President, I yield to the Senator from Montana.

Mr. BURNS. Mr. President, I offered the amendment in that way to expedite it and I thought the understanding of the leadership was to expedite the votes through the amendment. It is just a sentence.

I am sorry I created any confusion among my colleagues, but I called up the amendment and I will ask for the yeas and nays if we have to start all over again.

Mr. SASSER. Mr. President, I appreciate what the Senator from Montana is saying, and I thank him for it.

If there is nothing more to be said at this moment, I make a motion to table the amendment of the Senator from Montana and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senate from Tennessee to lay on the table the amendment of the Senator from Montana. That is the question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. BOWEN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

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

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—54

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Camps
Campbell
Conné
Coats
Concini
Dodd
Dorgan
Exon
Feinberg
Feinstein
Ford
Giancana
Gibbs
Giffords
Gingrich
Gingrich
Gilman
Green
Greenspan
Griffith
Hagerty
Harkin
Hatch
Hebl
Heflin
Johnson
Jeffords
Jeffords
Jeffords
Jeffords
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Johnson
Jo...
CONGRESSIONAL RECORD—SENATE

March 24, 1993

The legislative clerk read as follows:

Craig amendment 197 regarding Davis-Bacon.

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

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

The amendment is as follows:

On page 5, line 1, decrease the amount by $460,000,000.
On page 5, line 2, decrease the amount by $470,000,000.
On page 5, line 3, decrease the amount by $470,000,000.
On page 5, line 4, decrease the amount by $480,000,000.
On page 5, line 11, decrease the amount by $490,000,000.
On page 5, line 12, decrease the amount by $470,000,000.
On page 5, line 13, decrease the amount by $470,000,000.
On page 5, line 14, decrease the amount by $480,000,000.
On page 5, line 15, decrease the amount by $500,000,000.
On page 5, line 22, decrease the amount by $300,000,000.
On page 5, line 23, decrease the amount by $500,000,000.
On page 5, line 24, decrease the amount by $750,000,000.
On page 5, line 25, decrease the amount by $500,000,000.
On page 6, line 1, decrease the amount by $300,000,000.
On page 6, line 7, decrease the amount by $300,000,000.
On page 6, line 8, decrease the amount by $500,000,000.
On page 6, line 9, decrease the amount by $750,000,000.
On page 6, line 10, decrease the amount by $500,000,000.
On page 6, line 11, decrease the amount by $300,000,000.
On page 6, line 17, decrease the amount by $300,000,000.
On page 6, line 18, decrease the amount by $500,000,000.
On page 6, line 19, decrease the amount by $750,000,000.
On page 6, line 20, decrease the amount by $500,000,000.
On page 6, line 21, decrease the amount by $300,000,000.
On page 7, line 1, decrease the amount by $300,000,000.
On page 7, line 2, decrease the amount by $500,000,000.
On page 7, line 3, decrease the amount by $750,000,000.
On page 7, line 4, decrease the amount by $300,000,000.
On page 7, line 5, decrease the amount by $300,000,000.
On page 7, line 6, decrease the amount by $500,000,000.
On page 7, line 9, decrease the amount by $300,000,000.
On page 7, line 10, decrease the amount by $500,000,000.

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

The PRESIDING OFFICER. The amendment is as follows:

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. 197) of the Senator from Idaho. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. The motion to lay the amendment on the table was defeated.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 22
(Purpose: To reduce the level contained in the budget resolution by an amount sufficient to assume an exemption for biomass-derived ethanol under the administration's Btu energy tax and to offset lost revenues by reducing new spending increases)

Mr. DURENBERGER, Madam President, I call up an amendment, for myself, Senator DOLE, Senator GRASSLEY, Senator BOND, and Senator LUGAR, numbered 222 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Minnesota, Mr. DURENBERGER, for himself, Mr. DOLE, Mr. GRASSLEY, Mr. BOND, Mr. LUGAR, and Mr. PRESSLER, proposes an amendment numbered 222 relating to biomass-derived ethanol Btu exemption.

The amendment is as follows:

On page 2, decrease the amount on line 18, by $1,000,000.
On page 2, decrease the amount on line 19, by $26,000,000.
On page 2, decrease the amount on line 2, by $15,000,000.
On page 3, decrease the amount on line 4, by $26,000,000.
On page 3, decrease the amount on line 6, by $26,000,000.
On page 3, decrease the amount on line 10, by $1,000,000.
On page 3, decrease the amount on line 11, by $10,000,000.
On page 3, decrease the amount on line 12, by $19,000,000.
On page 3, decrease the amount on line 13, by $26,000,000.
On page 3, decrease the amount on line 14, by $26,000,000.
On page 4, decrease the amount on line 6, by $11,000,000.
On page 4, decrease the amount on line 7, by $10,000,000.
On page 4, decrease the amount on line 8, by $19,000,000.
On page 4, decrease the amount on line 9, by $26,000,000.
Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I move to table the amendment and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

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

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessary absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

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

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—55

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breun
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dole
Dorgan
Eiken
Feingold

FEINSTEIN
Mikulski
Ford
Moseley-Braun
Graham
Moylan
Harkin
Murray
Hollings
Nunn
Johnston
Packwood
Kassebaum
Pell
Kennedy
 Pryor
Bumpers
Reid
Byrd
Echols
Robb
Krueger
Hekreller
Lautenberg
Sarbanes
Leahy
Sasser
Dodd
Simon
Leiberman
Wofford
Mathews
Metsamena

NAYS—43

Bennett
Bond
Browns
Bums
Chafee
Cotz
Coehrnan
Cohen
Cowdrell
Craig
DAmato
Danforth
Dole
Domenici
Durenberger

Faircloth
Ford
Grassmann
Grasley
Gregg
Hatch
Hatfield
Hoffin
Jeffords
Kempthorne
Lott
Lugar
Mack
McKinney
McConnell

MURKOWSKI
 NicKles
Presler
Roth
Shalby
Simpson
 Smith
 Speeler
 Stevens
Thurmond
Wallace
Warner
Wellston

NOT VOTING—2

Helms
Inouye

So the motion to table the amendment (No. 222) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.
If Rust lost 5 percent to 10 percent of her annuity, she would have to change her lifestyle considerably. “I would have to conserve in every area, particularly on travel and seeing my children,” Rust said.

Harold Brockwell, of Waldorf, Md., has been retired since 1970. He said his wife faces grave hardships if her survivors annuity were reduced.

Brockwell pointed out the increased costs of medical care for the elderly and said the lack of options for earning extra money should be considered when cutting benefits. “We just can’t take the cuts,” he said.

Mr. SASSER. Madam President, I move to table the amendment and ask for the yeas and nays on the motion. The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

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

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 93, Leg.]

YEAS—54

Alaska  Feingold, Feingold
Baucus  Feinstein, Feinstein
Biden  Feigh, Feigh
Bingaman  Glenn, Glenn
Boren  Graham, Graham
Boxer  Harak, Harak
Bradley  Hollings, Hollings
Breaux  Johnston, Johnston
Bryan  Kennedy, Kennedy
Bumpers  Kerry, Kerry
B сыр  Kerry, Kerry
Campbell  Kohl, Kohl
Conrad  Krueger, Krueger
Daschle  Lademenger, Lademenger
DeConcini  Leahy, Leahy
Dodd  Levin, Levin
Domenici  Norman, Norman
Exon  Mathews, Mathews

NAYS—44

Bennett  Faircloth, Faircloth
Brown  Crenshaw, Crenshaw
Burgess  Crankshaw, Crankshaw
Burton  Crapo, Crapo
Coats  Hatch, Hatch
Cochran  Hatfield, Hatfield
Coburn  Hindman, Hindman
Collins  Jeffords, Jeffords
Craig  Kassebaum, Kassebaum
D'Amato  Kerries, Kerries
Danforth  Lott, Lott
Domenici  Mack, Mack
Durenberger  McCain, McCain

NOT VOTING—2

Helms  Inouye

So the motion to lay on the table the amendment (No. 29) was agreed to.

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

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

The motion to lay on the table was agreed to.
On page 77, line 13, decrease the amount by $120,000,000.

On page 71, line 14, decrease the amount by $120,000,000.

On page 71, lines 16 and 7, decrease the amount by $216,000,000.

On page 71, lines 20 and 21, decrease the amount by $288,000,000.

Mr. SASSER. Madam President, I move to reconsider the vote. Mr. FORD. I move to lay that motion on the table.

Bruce Westcott, the amendment (No. 204) was agreed to. Mr. SASSER. Madam President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table. The motion to lay on the table was agreed to.
CONGRESSIONAL RECORD—SENATE

March 24, 1993

to that effect. I hope there will not be any disagreement to moving toward a smaller time agreement.

Mr. MITCHELL. The Senator is correct in that regard but there were assumptions going the other way and our assumption was that the number of amendments to be offered after the 60 hours would be reduced. The initial discussions were down to about 11 or 12. In subsequent discussion the numbers have increased. And now, of course, they are still unlimited. So I think we are all acting in good faith.

Mr. DOMENICI. We did reduce 8 or 10. We had 38 or 39 at one point. We did our best.

Mr. MITCHELL. I understand that. And I am doing my best on this side.

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

The legislative clerk called the roll.

Mr. FORD, I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

The PRESIDING OFFICER. The amendment (No. 233) was agreed to.

The motion to lay on the table was agreed to.

AMENDMENT NO. 233
(Purpose: To restore military and Federal civilian pay levels, and ECI-based pay raises and locality pay to current law. Spending add-ons will be reduced by a corresponding amount)

Mr. MCCAIN addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona, Mr. McCaIN, Mr. President, I call up amendment 233.

The PRESIDING OFFICER. The clerk will report the amendment. The bill clerk read as follows:

The Senator from Arizona [Mr. McCaIN] for himself, Mr. DOMENICI, Mr. STEVENS, Mr. WALLOP, and Mr. GRAMM, proposes an amendment numbered 233 regarding military and Federal pay.

The amendment is as follows:

On page 10, increase the amount on line 4 by $1,033,000,000.
On page 10, increase the amount on line 5 by $561,000,000.
On page 10, increase the amount on line 11 by $1,350,000,000.
On page 10, increase the amount on line 12 by $1,177,000,000.
On page 10, increase the amount on line 18 by $2,455,000,000.
On page 10, increase the amount on line 19 by $2,417,000,000.
On page 10, increase the amount on line 25 by $2,112,000,000.
On page 11, increase the amount on line 1 by $3,071,000,000.
On page 11, increase the amount on line 7 by $3,343,000,000.
On page 11, increase the amount on line 8 by $3,321,000,000.
On page 41, increase the amount on line 17 by $294,000,000.
On page 41, increase the amount on line 18 by $262,000,000.
On page 41, increase the amount on line 24 by $534,000,000.
On page 41, increase the amount on line 25 by $450,000,000.
On page 42, increase the amount on line 6 by $847,000,000.
On page 42, increase the amount on line 7 by $806,000,000.
On page 42, increase the amount on line 13 by $1,130,000,000.
On page 42, increase the amount on line 14 by $1,089,000,000.
On page 42, increase the amount on line 20 by $1,152,000,000.
On page 42, increase the amount on line 21 by $1,131,000,000.
On page 43, increase the amount on line 3 by $735,000,000.
On page 43, increase the amount on line 4 by $736,000,000.
On page 43, increase the amount on line 10 by $1,237,000,000.
On page 43, increase the amount on line 11 by $1,297,000,000.
On page 43, increase the amount on line 17 by $1,608,000,000.
On page 43, increase the amount on line 18 by $1,608,000,000.
On page 43, increase the amount on line 24 by $1,982,000,000.
On page 44, increase the amount on line 25 by $1,982,000,000.
On page 44, increase the amount on line 6 by $2,190,000,000.
On page 44, increase the amount on line 7 by $2,190,000,000.

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

The PRESIDING OFFICER. Is there a sufficient second?

Mr. SASSER addressed the Chair.

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

Mr. SASSER. I move to table the amendment and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second on the motion to table? There is a sufficient second.

The yeas and nays were ordered.

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

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

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

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—54

NAYS—44

NOT VOTING—2

So the motion to table the amendment (No. 233) was agreed to.

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

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

The motion to lay on the table was agreed to.
The yeas and nays were ordered. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll. Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. The amendment (No. 235) was agreed to. Mr. SASSER. Could we have order, Mr. President? The PRESIDING OFFICER. The amendment is as follows:

The amendment (No. 235) was agreed to. Mr. SASSER. Could we have order, Mr. President? The PRESIDING OFFICER. Mr. SPECTER, Mr. President, I thank the distinguished chairman. That is acceptable to this Senator. If I might just read it. It is very short. It is the sense of the Congress that health care reform legislation receive priority attention by the United States Congress with a target date of enactment such legislation being no later than September 30, 1993.

I thank my friend from Tennessee for accepting the amendment. The PRESIDING OFFICER. The question is on agreeing to amendment number 235.

The amendment (No. 235) was agreed to.

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

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

The result was announced-yeas 55, nays 42, as follows: [Rollcall Vote, No. 73 Leg.]

YEAS—55

Bennett 
Bond 
Brown 
Cooper 
Cochran 
Collins 
Corzine 
Coyle 
Craig 
D’Amato 
Dole 
Domenici 
Durbin 
Fairest 
Coates 
Sass

NOT VOTING—3

The motion to lay on the table was agreed to.

The amendment (No. 235) was agreed to. Mr. SPECTER addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania. The amendment (No. 235) was agreed to. Mr. SPECTER. Mr. President, I call up amendment number 235. The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:
March 24, 1993

the number of amendments on this side—we are in the process of doing that now—so we can complete action by noon tomorrow. If we have the finite list, I hope maybe we could have 10-minute votes, too.

Mr. MITCHELL. Mr. President, the vote on the Kassebaum amendment—I believe the distinguished chairman will move to table that—will be the last vote this evening. We will resume at 9:30. Senators should be prepared to vote promptly at that time.

Mr. DOLE. Mr. President, if we can agree on a finite list, is it possible to get consent that we have 10-minute votes—we are going to reduce the number—then we would not be here all morning just voting?

Mr. MITCHELL. Yes, we can do that, if we can agree on a finite list.

Although I do not have authority to give that consent, I will make every effort to so do. I was notified there would be objection to any request. I will make every effort to obtain that, if we can agree on a finite list.

Mr. DOLE. I think we even now ought to reduce the number by 7 or 8. I think if we make a good faith effort for additional reductions, then we could reduce rollcalls to 10 minutes and we would not be here all morning voting.

Mr. MITCHELL. What I will say is that there will be no votes prior to 9:30 tomorrow morning. This will be the last vote this evening. There will be no votes prior to 9:30 tomorrow morning.

Mr. President, I yield the floor so that the Senator from Kansas may be recognized.

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

AMENDMENT NO. 227

(Purpose: To reduce the reconciliation instruction to the Senate Labor and Human Resources Committee and offset by reductions in expenditures)

Mrs. KASSEBAUM. Mr. President, I call up amendment number 227. The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 227, regarding labor reconciliation instructions.

The amendment is as follows:

On page 26, line 11, increase the amount by $508,000,000.

On page 26, line 12, increase the amount by $508,000,000.

On page 26, line 19, increase the amount by $1,281,000,000.

On page 26, line 20, increase the amount by $508,000,000.

On page 26, line 2, increase the amount by $1,281,000,000.

On page 26, line 3, increase the amount by $1,281,000,000.

On page 42, line 6, decrease the amount by $508,000,000.

On page 42, line 7, decrease the amount by $1,281,000,000.

On page 42, line 13, decrease the amount by $1,281,000,000.

On page 42, line 20, increase the amount by $1,281,000,000.

On page 42, line 21, increase the amount by $1,281,000,000.

Mrs. KASSEBAUM. It is regarding direct student loans.

I ask unanimous consent that a statement of mine and of Senators COCHRAN, COATS, COHEN, LUGAR, PRESSLER, and SASSER be made a part of the RECORD.

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

The Chair recognizes the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I move to table the amendment and ask for aye and nay votes on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. 227) of the Senator from Kansas. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

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

The result was announced—yeas 51, nays 47, as follows.

[Rollcall Vote No. 74 Leg.]

YEAS—51

Rockefeller

Sasse

Weinstein

Bennett

Dodd

NAYS—47

Sasser

Simon

Helms

McConnell

Wellstone

Bond

Gorton

Murkowski

Grassley

Nunn

Bentsen

Mitchell

Paxson

Burns

Grimes

Presidential

Chafee

Hatfield

Portman

Cochran

Jeffords

Reid

Craig

Kasten

Simpson

Domenici

Kempthorne

Smith

Dodd

Kerry

Stevens

Dole

Low

Toraum

Dodd

Murkowski

Wallop

Dodd

Nelson

Waring

Dodd

Nunn

Warner

DOLE.

SASSER.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 222

Mr. DURENBERGER. Mr. President, yesterday, unfortunately, the Senate went on record against a sense-of-the-Senate resolution—which I supported in calling for the exemption of ethanol and certain other alternative fuels from the Btu tax.

Today, I offer another approach to the ethanol aspect of this problem which I hope finds wider support.

And I would hope it is adopted, in order to send a clear, positive signal to both the ethanol community and the Finance Committee.

The amendment goes beyond expressing the sense of the Senate. Rather, it lowers total revenues in the resolution by the amount the Joint Tax Committee estimates would be raised were ethanol subject to the tax. Expenditures are lowered in the allowances account by the same amount.

Thus, my amendment provides the Finance Committee room to reduce the tax on ethanol by reducing both revenues and spending. It indicates our intention to exempt ethanol from the Btu tax, but would not result, implicitly or otherwise, in any increase in any other tax.

The reduction in revenues, and offsetting reductions in expenditures, amount to $1 million in 1994, $10 million in 1995, and a total of $82 million over the term of the budget resolution. Because there has been concern expressed on other amendments when changes to this function were proposed, I would like to make it clear that the allowances function of the committee-reported budget resolution already contemplates approximately $40 billion in unspecified cuts; my amendment increases that amount by a relatively tiny proportion, a total of $82 million—an addition of about two-tenths, of I
percent to those unspecified cuts. No
needed program should be put at risk
by your vote for my amendment. After
all, during the next 2 years alone, we
will be spending at least $1.079 tril-
lion—that’s over $1,000 billion for dis-
cretionary programs.
I welcome Secretary Bentsen’s an-
nouncement that he intends to urge the exemption of etha-
ol and other alternative fuels from the Btu tax. But, of course, that
announcement does not bind the Finance
Committee, or the House. And unless
total revenues, and spending, in the
resolution are reduced, we will only
wind up raising taxes on some other
part of the economy.
Because yesterday there were con-
cerns expressed about the merit of the
Government’s policy of encouraging
ethanol, I would like to take just a mo-
tum to address those concerns.
Now why should ethanol be exempt
from the Btu tax? Currently the U.S.
Government has invested in ethanol
through incentives. Ethanol has a 7-
cent-a-gallon edge over regular gaso-
line. The reason for this is that the
Congress agreed that ethanol was bet-
ter for our environment. It is better be-
cause it reduces smog and gives us
cleaner air to breathe. It is that sim-
ple.
When I came to the Senate in the
late 1970’s, there was a great deal of in-
terest in gasohol, a fuel that is 10 per-
cent ethanol and 90 percent gasoline,
because of the energy problems facing
the Nation. As our consciousness of en-
vironmental degradation increased
during the 1980’s we recognized the
health and environmental benefits of ethanol as well.
Besides cutting down on smog, etha-
ol has another environmental advan-
tage. One of the most serious pollution
problems in our northern cities in the
winter time is carbon monoxide. When
you start a car on a cold winter morn-
ing, the fuel does not burn well and
carbon monoxide is produced in enor-
mous molecules than other components
of gasoline. This confusion and uncertainty
is not limited to what level of savings might
be achieved from direct lending. There
are many questions which remain to be
answered about the untested direct
lending concept. To offer just a few:
What is the overall economic impact
of replacing the private capital now
used in the program and adding at
least $15 billion annually to the Fed-
eral debt?
Is the Department of Education ca-
ble of assuming the enormous addi-
tional administrative responsibilities
this program would entail? Unfortu-
nately, the department’s track record
in the management of loan programs
has not been exemplary. As noted in
the General Accounting Office’s series
of reports on high-risk programs,
“(T)he inventory of known problems in
the Department’s administration of
guaranteed student loans raises ques-
tions about its ability to adequately
manage a direct lending program.”
Is Internal Revenue Service collec-
tion to be part of the program, and if
so, is the agency able to handle the col-
collection process up and running in a short
period of time?
Direct lending assumes the elimi-
nation from the program of banks,
guaranty agencies, secondary markets,
and other current participants. Given
this, how will the over $60 billion in
outstanding guaranteed loans be mon-
tored and collected?
It seems to me that we are taking an
enormous risk in dismantling the cur-
current Student Loan Program, financing
a new program solely with new Federal
debt, and putting its administration in
the hands of Federal agencies which
may have difficulties in assuming new
management responsibilities—with no

Amendment No. 277

Mrs. KASSEBAUM. Mr. President,
the main assumption underlying the
Budget Committee’s reconciliation in-
struction to the committee is that the
current Guaranteed Student Loan Pro-
gram will be replaced by a direct loan
program.
As a practical matter, adoption of
this budget resolution means adoption
of full-fledged direct lending. Because
other changes which are being made in
the Guaranteed Student Loan Program
do not have the advantage of the spe-
cial accounting methods used in cal-
culating direct loan savings, it is all
but impossible for the Labor Commit-
tee to meet the reconciliation instruc-
tion by any means other than adopting
direct lending.
Although I admittedly have serious
reservations about direct lending, I am
not offering this amendment to pre-
clude the committee from adopting
such a program. Rather, I am offering
it to avoid a situation where the com-
mmittee is forced to do so—even if fur-
ther review shows this to be the wrong
course to pursue.
Specifically, my amendment would
reduce the reconciliation instruction
by $6.4 billion, from $6.697 billion to
$3.409 billion. The cost of this amend-
ment will be offset by a reduction in
increases in nondefense discretionary
spending in fiscal years 1986, 1987, and
The reconciliation instruction in-
cluded in my amendment, would, in
fact, exceed the $3.2 billion savings as-
sumed in the President’s budget from
implementation of direct lending. That
figure, however, was developed by the
Office of Management and Budget,
while the Budget Committee’s assump-
tion is based on Congressional Budget
Office estimates that direct lending
would save $5,652 billion over 5 years.
This nearly $3 billion difference alone
indicates that there is enormous confu-
sion and uncertainty regarding the di-
rect loan concept.

March 24, 1983
real debate or deliberation of what we are doing.

Yet, without the opportunity to explore any of these issues, the Senate is being asked to endorse today a full-fledged direct lending program. Let me repeat, adoption of my amendment does not preclude the committee from endorsing a direct lending plan. It merely gives the Senate an opportunity to pass judgment on the administration's approach through hearings and the normal legislative process. The budget resolution's instructions amount to a legislative mandate to implement direct lending by completely bypassing the committee's jurisdiction.

A. The cost savings estimates on direct lending which are driving the inclusion of the amendment in the budget resolution's instructions use the Congressional Budget Office's (CBO) estimate that direct lending would save $6.7 billion. The CBO, in its estimate, assumed that the Labor and Human Resources Committee would increase spending in fiscal years 1996, 1997, and 1998. The reconciliation instructions use the CBO's amendment to the budget resolution as the basis on which to estimate the savings of $3.2 billion in the five-year period (1994-1998).

B. The special allowance payment is the special allowance payment made to banks, the administrative cost allowance to guaranty agencies, the percentage that guaranty agencies can retain on defaulted loans they collect, and the federal government's guarantees to lenders. CBO indicates that the committee will not save even half of the amount that this instruction would require.

A. There being no objection, the material would be ordered to be printed in the RECORD following my remarks.

There being no objection, the material would be ordered to be printed in the RECORD following my remarks.

Q. What is direct lending?
A. Direct lending is a program where student loan capital would be provided directly from the federal Treasury rather than from the current student loan system without charging students a higher interest rate, the current student loan system with little choice but to do so.

Moreover, adoption of my amendment calls for significant savings and student loans are the only area under the jurisdiction of the committee where these savings can be achieved. I hope you will join me in supporting this amendment.

Mr. President, I ask unanimous consent that a list of some frequently asked questions about my amendment appear in the RECORD following my remarks.

Q. What is the Kassebaum amendment?
A. The Kassebaum amendment revises the reconciliation instructions to the Senate Committee on Labor and Human Resources to make it possible to consider student loan reforms other than full implementation of a direct lending program.

Q. What does the budget resolution say about direct lending?
A. The budget resolution contains a budget reconciliation instruction that the committee makes drastic cuts in all of the following: the special allowance payment made to banks, the administrative cost allowance paid to guaranty agencies, the percentage that guaranty agencies can retain on defaulted loans they collect, and the federal government's guarantees to lenders. CBO indicates that the committee will not save even half of the amount that this instruction would require.

A. The special allowance payment is the payment of the special allowance payment to banks, the administrative cost allowance paid to guaranty agencies, the percentage that guaranty agencies can retain on defaulted loans they collect, and the federal government's guarantees to lenders. CBO indicates that the committee will not save even half of the amount that this instruction would require.

A. The cost savings estimates on direct lending which are driving the inclusion of the amendment in the budget resolution's instructions use the Congressional Budget Office's (CBO) estimate that direct lending would save $6.7 billion. The CBO, in its estimate, assumed that the Labor and Human Resources Committee would increase spending in fiscal years 1996, 1997, and 1998. The reconciliation instructions use the CBO's amendment to the budget resolution as the basis on which to estimate the savings of $3.2 billion in the five-year period (1994-1998).

A. The Kassebaum amendment would replace the current student loan system without charging students a higher interest rate, the current student loan system with little choice but to do so.

Mr. President, I ask unanimous consent that a list of some frequently asked questions about my amendment appear in the RECORD following my remarks.

Q. What is direct lending?
A. Direct lending is a program where student loan capital would be provided directly from the federal Treasury rather than from the current student loan system without charging students a higher interest rate, the current student loan system with little choice but to do so.

Moreover, adoption of my amendment calls for significant savings and student loans are the only area under the jurisdiction of the committee where these savings can be achieved. I hope you will join me in supporting this amendment.

Mr. President, I ask unanimous consent that a list of some frequently asked questions about my amendment appear in the RECORD following my remarks.

Q. What is the Kassebaum amendment?
A. The Kassebaum amendment revises the reconciliation instructions to the Senate Committee on Labor and Human Resources to make it possible to consider student loan reforms other than full implementation of a direct lending program.

Q. What does the budget resolution say about direct lending?
A. The budget resolution contains a budget reconciliation instruction that the committee makes drastic cuts in all of the following: the special allowance payment made to banks, the administrative cost allowance paid to guaranty agencies, the percentage that guaranty agencies can retain on defaulted loans they collect, and the federal government's guarantees to lenders. CBO indicates that the committee will not save even half of the amount that this instruction would require.

A. The special allowance payment is the payment of the special allowance payment to banks, the administrative cost allowance paid to guaranty agencies, the percentage that guaranty agencies can retain on defaulted loans they collect, and the federal government's guarantees to lenders. CBO indicates that the committee will not save even half of the amount that this instruction would require.

A. The cost savings estimates on direct lending which are driving the inclusion of the amendment in the budget resolution's instructions use the Congressional Budget Office's (CBO) estimate that direct lending would save $6.7 billion. The CBO, in its estimate, assumed that the Labor and Human Resources Committee would increase spending in fiscal years 1996, 1997, and 1998. The reconciliation instructions use the CBO's amendment to the budget resolution as the basis on which to estimate the savings of $3.2 billion in the five-year period (1994-1998).

A. The Kassebaum amendment would replace the current student loan system without charging students a higher interest rate, the current student loan system with little choice but to do so.

Mr. President, I ask unanimous consent that a list of some frequently asked questions about my amendment appear in the RECORD following my remarks.

Q. What is direct lending?
A. Direct lending is a program where student loan capital would be provided directly from the federal Treasury rather than from the current student loan system without charging students a higher interest rate, the current student loan system with little choice but to do so.

Moreover, adoption of my amendment calls for significant savings and student loans are the only area under the jurisdiction of the committee where these savings can be achieved. I hope you will join me in supporting this amendment.
Is the Senate aware that the Department of Education is having a difficult time deciding whether to institute a volunteer demonstration direct loan project? Is the majority of the Senate aware of the direct lending program being put on a fast track? Shouldn't we follow closely the results of this demonstration project before effectively endorsing direct lending through this resolution?

In South Dakota, the guarantee agency for the student loan program is the Educational Assistance Corporation (EAC). I met with Frank Clark Wold, the Deputy Director for Financial Aid Services of EAC, dated February 23, 1993, outlines major concerns with the direct lending proposal. He is concerned about disturbing the continuity of loan funds to students. He questions the projected cost savings of an untested program. South Dakota's guarantee agency has one of the lowest default rates in the Nation—only 1.25 percent—default claim rate, for 1992. I value that agency's advice. I ask unanimous consent that this letter be inserted in the record at the conclusion of my remarks.

The secondary market in South Dakota is the Student Loan Finance Corp. Steve Kohles, vice president of the SLFC, urged caution in his March 9, 1993, letter, because of "much conflicting information about the benefits and questions about the savings on a direct lending program." Again, this agency has one of the lowest default rates in the Nation—2.78 percent compared to a national average among banks of 17.8 percent. I ask unanimous consent that Mr. Kohles' letter, with enclosures, be inserted in the RECORD at the conclusion of my remarks.

Finally, Mr. President, I submit for the RECORD, a letter from Jon Veenis, single 1.56 percent default claim rate, dated March 5, 1993. He lists five points in opposition of the direct lending program. First, he states the projected "budget savings are highly suspect." Second, the "direct loan program carries a high degree of risk." Third, "significant doubts exist regarding the Department of Education's abilities" to deal with this program. Fourth, "Federal borrowing would increase." Mr. Veenis' final point is a very good one: "The current program operates effectively." I ask unanimous consent that his letter be inserted in the RECORD at the conclusion of these remarks.

In conclusion, Mr. President, we cannot afford to make decisions that potentially would add to the deficit and put the student loan program unnecessarily at risk. An unproved, untested, direct loan program could very well do just that. That is why I support the amendment offered by Senator Kassebaum.
Serving costs for SLC range between 1.25% and 1.50% of loans.

Other Considerations:
(A) The amount of Funds for Sallie Mae would be close to the 90 day T-Bill.
(B) Under current arrangement, lender suffers. There is insufficiency of funds to support the loan. With direct loans, the Federal Govt suffers the loss.
(C) If it is felt that lenders are receiving too much compensation, lenders can be dealt with without a switch to direct lending. The Special Allowance rate could be reduced or there could be some sort of risk sharing implemented. Lender wouldn't receive a 100% guarantee on defaulted loans. Please consider that lenders need some incentive to participate in the program. Even for SLC, some profit margin is necessary to provide for contingencies and to keep us viable to continue to obtain private capital to invest in student loans.

NORTHWEST BANKS
Sloan Falls, SD, March 5, 1993.

Hon. Larry Pressler
Hart Senate Office Building
Washington, DC.

Dear Senator Pressler: Once again, you have taken the time on March 11 to discuss the important Direct Student Loan Proposal that may be included in President Clinton's budget. As a follow-up to our discussion, I want to emphasize that Norwest Corporation does not support the proposed full implementation of direct student lending by 1997 for the following reasons:

1. The purported budget savings are highly suspect based upon studies completed by the Congressional Research Service, KPMG Peat Marwick, and Sallie Mae. This compares to a national average among secondary market for student loans.

2. An untested direct loan program carries a high degree of risk if it is not successful.

3. Significant doubt exists regarding the Department of Education's abilities in administering a direct loan program.

4. Federal borrowing would increase by $15 to $20 billion per year.

5. The current program operates effectively despite its shortcomings.

Norwest's recommended course of action is to allow the Higher Education Act amendments of 1992 to be fully implemented. These amendments facilitate improvements to the existing program by increasing the oversight and simplification, elimination of fraud and abuse, and increased access to loan funds for students and parents. The amendments also include a direct loan pilot that will begin on July 1, 1994 that should be implemented and fully tested before abandoning the current system.

Furthermore, Norwest and other lenders stand ready to work with President Clinton to implement his national service and income contingent repayment initiatives within the framework of the existing program. We also believe that the current program is in concert with the President's goals of solidifying public/private partnerships in reducing, or in this instance not expanding, the Federal bureaucracy.

Please call me at 605-339-7455 if I can provide you with additional information.

Sincerely,

Jon A. Veenis
Senior Vice President

AMENDMENT NO. 227

Mr. COHEN. Mr. President, I rise today in support of Senator Kassebaum's amendment to reduce the reconciliation instruction to the Senate.
Committee on Labor and Human Resources from $6.7 billion to $3.4 billion. Until the Committee on Labor and Human Resources has had an opportunity to analyze both the merits and potential problems of a direct lending program, I think it is extremely unwise for this body to essentially direct the committee through its recommendations to undertake such a program. As a Senator who is not a member on this committee, I rely on the discussions and analysis that take place during committee hearings to help me evaluate various proposals. Given the amount of Federal money involved and the number of students affected by a direct lending proposal, I believe that direct lending is one proposal that requires evaluation by the committee of jurisdiction.

Let me be clear. I am not saying that I will either oppose or support a direct lending proposal if a vote on this issue comes to the floor. I simply ask that the Senate consider Senator Kassebaum's amendment, which will allow greater flexibility to the Committee on Labor and Human Resources by lowering the amount that the committee is directed to save. If the committee eventually decides that the merits of a direct lending proposal warrant implementation of such a plan, it can still do so. Under the current budget resolution, however, the committee must meet the $6.7 billion savings by implementing a direct lending proposal, which has not yet been carefully evaluated. In fact, the direct lending pilot program, which was authorized by the Higher Education Act Amendments of 1992, will not even begin until next year. Results of this program will be essential to demonstrating how direct lending works on a small scale. It simply makes no sense that the Senate force the Committee on Labor and Human Resources to meet its required savings with direct lending on a large scale when the demonstration project has not even started. For these reasons, I urge my colleagues to support Senator Kassebaum's amendment.

Amendment No. 227

Mr. COCHRAN. Mr. President, I am convinced that one of our greatest national assets is our college and university system. Most of the world's greatest postsecondary institutions are in the United States. Our institutions of higher learning are not only outstanding, they are accessible, and therefore worthy of emulation by the rest of the world. Other nations have not only been impressed by our system, they are aware that any American who wants to go to college has the opportunity.

In fact, during the 102d Congress, the Senate overwhelmingly adopted and President Bush signed into law, the Higher Education Amendments of 1992, significantly expanding Federal grant and loan programs to ensure that all students have access to a postsecondary education. 

This legislation, Public Law 102-227, was developed over 4 years, with bipartisan support. It was the result of the work of the Committee on Labor and Human Resources. However, the direct lending proposal which would change the federal system of guaranteed student loans to a program of direct loans from the private sector. The National student loan program provides capital from the process, replacing them with a program administered by the Federal Government and with dollars borrowed from the Federal Treasury, was a subject of much debate and controversy.

Proponents of the direct lending proposal claim that billions of dollars in savings justify this dramatic change. They argued that savings, based on elimination of the special allowance paid to banks—3.1 percent—as a service charge for handling the loans coupled with a default reduction plan to allow a more lenient payback option for borrowers, would help to pay for new education programs. Opponents of the proposal question the cost saving estimates, which are also disputed by OMB and Peat, Marwick & Sons. The cost of implementing the new program could also add $10 to $12 billion in the first year to the Federal debt. We don't need a new, costly, and unproven program, which could add billions to the Federal debt while the private sector is willing and able to provide the capital for the loans.

Conferrees ultimately reached a compromise and agreed to a direct lending demonstration program for 5 years. The bill authorized $750 million to be allocated to 500 selected colleges for direct lending. After 5 years, we would assess the effectiveness of the program and determine if institutions are able to process the loans, if the Department of Education has the expertise to do it, and, most important, if the cost saving estimates were accurate.

I truly believe this compromise was developed with the best interest of students and our outstanding higher education system in mind. Now, less than a year later, before the direct lending demonstration has begun, we are considering the adoption of a full-blown direct lending program through the budget process. In addition to forcing the adoption of an untested program we are misusing reconciliation, which was designed to achieve compliance with budget numbers not to make nondebatable policy changes.

The budget resolution under consideration instructs the Senate Committee on Labor and Human Resources to reduce spending by $6.679 billion over 5 years. The only way these savings can even be claimed is through a full direct lending program.

The arguments are the same as they were last year. Only, I am even more convinced now that this is a bad idea.
March 24, 1993

CONGRESSIONAL RECORD—SENATE

6223

iced and that schools are not abusing the program. The Department finds it difficult enough to do these things effec-

tively now. Under this new program the situation will deteriorate even more.

Only very large universities can affor-

d the staff and computer systems necessary to do the loan origination and followup involved in a direct lend-

ing program. I predict that it won't be long before we will be voicing a re-

quest for more taxpayer funds for the increased expenses incurred by this new pro-

gram.

In the face of such uncertainties, does it make any sense to adopt such a sweeping change as part of the budget resolution?

It would be far wiser to adopt the reconciliation figure of $3.409 billion in the Kassebaum amendment. This figure is more than the $3.2 billion in savings estimated in the President's budget for implementation of the direct lending program and would give some flexibility if we decided at some time that direct lending poses compared to our current system, particularly access for students, schools, and the American taxpayer.

Mr. President, I support the Kasse-

baum amendment and urge other Sen-

ators to vote for it.

AMENDMENT NO. 277

Mr. JEFFORDS. Mr. President, I rise

in support of the amendment offered by my colleague from Kansas, Senator KASSEBAUM. This amendment will in-

spect both reality and equity into the reconciliation instructions for the Labor and Human Resources Commit-
	ee.

For the past few years there has been growing interest in overhauling our system of financing higher education for American students. Every one of my colleagues—especially those like me who have college age children—knows that the costs of higher edu-

cation have not been in the best interest of students, schools, and the American taxpayer.

In effect, a bulk of the savings achieved by moving to a direct lending program comes from the unsubsidized loan program and the extra 3.1 percent students are charged above the T-bill.

As we try to lower this amount—to lessen the costs to students—would be stymied because savings, of the amount needed to justify our budget reconciliation, would not be possible if the 3.1 percent were lowered.

As many of my colleagues remember, I have been a longtime advocate of redu-

cing the 3.1 percent. 3.1 percent is too much to pay lenders for administra-

tive fees and it is too much to ask our students. Without the Kassebaum amendment though, we will be unable to reduce the burden that this places on our students because a decrease in this number produces a de-

crease in the savings. The savings are predicated on costs borne by the students. In effect, by agreeing to the current budget reconciliation numbers this body will force students to repay their loans at rates well above the costs incurred by the Federal Gov-

erment to borrow this money. In other words, we will be taxing students for borrowing money to go to college. So instead of passing the savings from direct lending on to students, we put them in our pocket. This deficit-

driven sleight of hand is not why this Senator is interested in direct lending, and I am somewhat surprised some of my colleagues seem to be willing to en-

gage in it.

If you want to save money for the Federal Government and save money for students, you must vote for the
Kassebaum amendment. What it will do will scale back our reconciliation instructions so that we need not tax kids who are borrowing to pay for a higher education.

Mr. SIMON. Mr. President, there are many reasons to oppose the amendment offered by my colleague from Kansas. The amendment calls for further cuts in the President’s investment package, and these are cuts that we cannot afford to make. The amendment would set the precedent of allowing Members of Congress to pick and choose the budget estimates that they prefer. That is not the way the budget process should work.

But I would like to focus my time on the real target of the amendment: President Clinton’s bold plan to re­vamp the Federal student loan pro­gram.

Mr. President, the Federal Government now pays for two separate student aid systems: a fairly simple system for delivering Pell grants, and a complicated, expensive system for de­livering guaranteed student loans.

The administration’s proposal is straightforward: instead of using a Federal guarantee through banks, the Government will provide the loans directly, so that we can have one student aid delivery system. It would be inte­grated into the current Pell grant sys­tem, which already works well. For collection of payments on the loans, I support using the IRS, but the budget resolution is conservative and does not assume that. It assumes that the Edu­cation Department will contract with some of the same companies that do the collections today.

I am confident that the program will work because it builds on what we already do today, and we know from experience that it works.

This commonsense proposal faces op­position, though, because it steps on some very powerful financial toes. Just in the past few months, banks, Sallie Mae and others who profit off of the current system have hired some of the most powerful lobbyists in Washington. In fact, one of the biggest opponents has been the Student Loan Marketing Association—created by the Federal Government. The President of Sallie Mae, according to CBO, made $2.1 million in 1991. But this is a Student As­sistance Act, not a Sallie Mae Assis­tance Act.

Mr. President, Sallie Mae is trying to confuse this issue. In a letter to college presidents sent earlier this month, the president of Sallie Mae said that the Federal Government would have to re­plicate the GSL system. This is intended to create a fear of a massive new Fed­eral bureaucracy, a takeover of the current student loan system.

But Sallie Mae really tells you that il­lusion, because nothing could be fur­ther from the truth. Why would the Federal Government want to provide aid to students at 7,000 schools by pay­ing money to 8,000 banks working in various combinations with 46 different guaranty agencies which are also subsidized by taxpayers? There is no rea­son, except that it is the current sys­tem, and the status quo is hard to change.

Direct lending is a much simpler sys­tem than the guaranteed student loan program, and it saves money. The Kassebaum amendment helps bankers, not students.

I urge my colleagues to read the fi­nancial audit of the GSL program, completed just last week by the General Accounting Office. It concludes that the structure of the guaranty sys­tem “is not conducive to good financial management.” The report identifies “serious problems in the program’s structure.” Among the findings:

Guaranty agencies assume little financial risk and are not compensated in a way that provides sufficient incentives to prevent de­faults.

Many guaranty agencies have expanded their responsibilities beyond their common law duties, causing serious conflicts of interest with their steward­ship responsibilities.

By assuming servicing and ownership roles, guaranty agencies are, in effect, re­sponsible for regulating their own activities.

None of the 10 guaranty agencies we vis­ited has a system that allows it to clearly identify and only one reconciled its monthly bills to its quarterly reports submitted to the Depart­ment.

We compared the information on tape dumps submitted to Education with guar­anty agency source documents for 30 ran­domly selected loans and found that 19 had errors in the reported status of loans and student enrollment.

Lender billings to Education often include loans guaranteed by several different guar­anty agencies. However, the guaranty agen­cies we visited limited their reviews (of lend­ers) to the loans they guaranteed.

[T]heir procedures were effective in the data they submitted to Education, but their reports to the Depart­ment were designed to provide assurance that these billings were accurate.

Discrepancies in data “can result in Edu­cation not receiving millions of dollars of loan origination fees owed by lenders.”

Mr. President, all of the effort—and error—involved in auditing and deter­mining payments to banks, and over­seeing guaranty agencies, would dis­appear in a direct loan program. Sallie Mae wants you to believe that these tasks would be shifted somewhere else. But these tasks are unnecessary. Even the Bush administration recognized this. An Education Department analy­sis 2 years ago concluded.

A Direct Loan program would be easier to manage and would greatly reduce opportuni­ties for error and abuse. A centralized data base would improve data integrity and auditability. Department monitoring could be focused entirely on the postsecondary in­stitutions and the collection contractors.

Mr. President, direct lending is sim­pler and it saves money. Two reports by GAO, and estimates by CBO and OMB confirm this.

Direct lending makes income-contin­gent repayment possible. This is a pri­ority of President Clinton’s.

Direct lending is supported by the higher education groups. I ask unani­mously that information from some of the education groups be print­ed in the RECORD.

I urge my colleagues to vote to table the pending amendment.

The Kassebaum amendment, the material was ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL ON EDUCATION, Washington, DC, March 27, 1993.

Mr. President, Sallie Mae is trying to confuse this issue. In a letter to college presidents sent earlier this month, the president of Sallie Mae said that the Federal Government would have to re­plicate the GSL system. This is intended to create a fear of a massive new Fed­eral bureaucracy, a takeover of the current student loan system.

But Sallie Mae really tells you that illusion, because nothing could be fur­ther from the truth. Why would the
as the details of this proposal are developed. We support the Administration's direct lending proposal as an important part of a larger framework aimed at expanding opportunities for all Americans to attend college.

On behalf of:
American Council on Education.
American Association of Community Colleges.
American Association of State Colleges and Universities.
Association of American Universities.
Association of Catholic Colleges and Universities.
Association of Community College Trustees.
Association of Governing Boards.
Association of Jesuit Colleges and Universities.
National Association for Independent Colleges and Universities.
National Association of State Universities and Land-Grant Colleges.

AASCU OFFERS ANALYSIS OF DIRECT LENDING ISSUE

There are two possible forms of government-issued credit, one of which has been used in federal student financial aid. One mechanism of federal financing is that of federal guarantees on loans made by third parties. The other is direct lending, or the capital raised from the private capital markets by the federal government directly.

Students and institutions are quite familiar with the guarantee mechanism through the Guaranteed Student Loan Program (GSL). Direct lending is also quite well-known to the higher education community through the Perkins program and its predecessor the National Defense Student Loan (NDSL) program. The basic distinction between the two alternatives is that in direct lending, the federal government raises the capital needed for loans itself, from the private sector and owns the resulting loan portfolio in its entirety, whereas under a guaranteed lending system, the government pays private intermediaries who benefit from the existence of the existing GSL system. These include not only the thousands of participating lenders, but the 46 guaranty agencies that administer the loan guarantees on behalf of the federal government and 35 secondary markets, the largest of which is the Student Loan Marketing Association.

While a 1992 Education Department study indicates that the student loan business was the second most profitable lending operation, for banks, surpassed only by credit cards lending, the main force of political opposition to direct lending will undoubtedly be focused on its impact on the student loan system and on the government. The guarantee agencies and the secondary market. Sallie Mae and some guaranty agencies have characterized the proposal as direct lending and have overlooked certain important questions. The following answers some of those questions:

WILL ACCESS TO LOANS NOT BE THREATENED UNDER DIRECT LENDING?

No. Direct lending as contemplated in President Clinton’s reform plan and as feared by the intermediaries in the current system is a replacement for the existing GSL entitlement program for lenders with an entitlement program for students. As such, it is an entitlement which will not be subject to artificial annual appropriations battles as are the Pell and Perkins programs. Any student who wishes to obtain a guarantee from the guaranty agency, the secondary market, the federal government’s complete assumption of risk, whereas under direct lending the government pays private intermediaries who benefit from the existence of the existing GSL system.

The simple and obvious thesis that the least expensive source of funds is the best source to tap for use in a federal lending program has been attacked by the various financial intermediaries who benefit from the existing GSL system. This includes not only the thousands of participating lenders, but the 46 guaranty agencies that administer the loan guarantees on behalf of the federal government and 35 secondary markets, the largest of which is the Student Loan Marketing Association.

The system that the department now administers is in place on the face of it a peculiar way of having the government make loans available to students at institutions. This essentially triangular relationship is turned into a polygon with sides that include the department, the school, the student, the guaranty agency, the secondary market, the servicer, the collector and the Internal Revenue Service. The radical simplification that direct lending would allow for vastly better oversight and accountability.

CAN INSTITUTIONS HANDLE DIRECT LENDING?

Yes. This catch-all objection fails to note the functional complexity of the present GSL arrangement. The General Accounting Office recently rated the GSL program one of the most complex in existence, federal critics of the program have attached a large part due to the difficulty of streamlining a program with thousands of lenders, 46 guaranty agencies, 35 secondary markets, and tens of servicers and collectors.

The system that the department now administers is on the face of it a peculiar way of having the government make loans available to students at institutions. This essentially triangular relationship is turned into a polygon with sides that include the department, the school, the student, the guaranty agency, the secondary market, the servicer, the collector and the Internal Revenue Service. The radical simplification that direct lending would allow for vastly better oversight and accountability.

CAN THE EDUCATION DEPARTMENT HANDLE DIRECT LENDING?

Yes. This catch-all objection fails to note the functional complexity of the present GSL arrangement. The General Accounting Office recently rated the GSL program one of the most complex in existence, federal critics of the program have attached a large part due to the difficulty of streamlining a program with thousands of lenders, 46 guaranty agencies, 35 secondary markets, and tens of servicers and collectors.

The system that the department now administers is in place on the face of it a peculiar way of having the government make loans available to students at institutions. This essentially triangular relationship is turned into a polygon with sides that include the department, the school, the student, the guaranty agency, the secondary market, the servicer, the collector and the Internal Revenue Service. The radical simplification that direct lending would allow for vastly better oversight and accountability.
rect lending, estimated by the Congressional Budget Office to be at least $9.062 billion over the next five years, can either be reinvested in new programs of federal support for higher education or they can provide better terms for borrowers.

The large-scale, default-related industry that has emerged in the GSL system has created a fundamental impasse on the issue of default terms that only direct lending can resolve. Better repayment terms and particularly income-contingent repayment of loans for students facing default would not only be more lenient and appropriate treatment of financially strapped borrowers, but will save money by avoiding the vast majority of defaults.

The system as it now operates punishes those for whom educational borrowing did not work and cuts the subsidies to the financial middlemen in the form of costly and ineffective “default prevention” subsidies that direct lending would release as subsidies for students.

The simplicity of direct lending would be sufficient justification in itself for opting for it rather than the existing system. The current system’s bewildering array of vested interests and financial intermediaries may be an administrative nightmare for schools, but it has become much more of a danger for a large number of students who go into default because they do not know who owns the loan, which guaranty agency they must deal with and what the (particular and widely different) policies of these entities are.

President Clinton’s budget, as well as the House and Senate budget resolutions, rely on the savings from direct lending. The financial intermediaries in the GSL system understand the threat and have activated a sophisticated lobbying campaign against direct lending in Congress and among institutions. They have also volunteered alternatives under GSL to come up with the savings—such as getting students to pay subsidies to students—to maintain their own revenues. AASCU’s Division of Governmental Relations and Policy Analysis can provide members with technical assistance on this issue.

AMENDMENT NO. 227
Mr. DURENBERGER. Mr. President, I rise today to oppose the amendment by the distinguished Senator from Kansas reducing anticipated budget savings in student aid from a direct student loan program by approximately $3.3 billion.

I oppose this amendment, Mr. President, because I am a strong supporter of fundamental changes in Federal student loan programs. One of the biggest changes that will save taxpayers and money and provide students and families with improved financial access to college.

I also believe the savings anticipated by the budget resolution is conservatively estimated and definitely achievable—especially under the kind of fundamental change in student loan programs that Senator SIMON and I have previously proposed, the kind of change that President Clinton is now also embracing.

I realize, Mr. President, that the details of whatever program we use to meet these anticipated savings remain to be worked out. I also realize that the program these savings are based on does not provide for income-contingent repayment through the IRS.

But, the President is strongly committed to combining the concepts of direct lending and income-contingent repayment, so am I.

And an important reason for my hope that these concepts will both emerge in legislation is the President’s strong belief that including income-contingent repayment in a new direct loan program will produce even more savings—especially long-term.

Mr. President, Members of this body know that I am not: endless personal interest in linking direct lending and income-contingent repayment.

Almost 2 years ago, I introduced legislation previously authored by Representative Tom Petri to create a new direct student loan program called IDEA.

Several months later, Senator SIMON joined me in introducing a modified version of IDEA that shifted more than $3 billion in annual savings to the Pell Grant Program and created a new excellence scholarship program for high achieving low income students.

I’ve met with students and parents and higher education leaders all across Minnesota to discuss the IDEA proposal and to listen to their concerns about current student loan programs.

I’ve found overwhelming support everywhere I’ve gone.

Support from students and their parents—who are frustrated with a system they believe is unresponsive and unnecessarily bureaucratic.

Support from college administrators and financial aid officers—who know the current system is inefficient and who know that they could do better, if only given the chance.

And perhaps most important, support from middle income parents of our next generation of students—parents who are terrified that their kids won’t have the same opportunities they had to gain the rich rewards that a college education can offer.

On my own past experience with IDEA, Mr. President, to help make the point that direct lending is not a partisan issue.

And, I want to use at least part of my time here today, to explain why Republicans should be at the forefront of this debate—in favor of fundamental changes in student loan programs. In fact, almost 50 Republicans have already made that choice in the House of Representatives by embracing Congressman Petri’s IDEA proposal.

It’s often argued during these debates, that the options before us are an innovative, consumer-responsive private sector—on one hand—and a stodgy, inefficient, government bureaucratic rework, on the other.

My own experience suggests that, in this case, the usual distinctions between public and private sector roles really don’t apply.

I have a hard time, Mr. President, even thinking of current student loan programs as part of the private sector, when there’s a guaranteed rate of return to banks making the loans, and no financial risk if the loans end up in default.

I also have a hard time defending the efficiency and user friendliness of private sector student loan programs that produce as much confusion and outrage as I hear from my constituents who use them.

I’d maintain that this really isn’t a question of private versus public sector programs, at all.

What we are really talking about, Mr. President, is making a public sector program work better and more efficiently.

Like many of my Republican colleagues, I have felt the administration’s economic recovery program has been long on tax increases, short on real spending cuts, and woefully inadequate on the kind of fundamental reforms that produce both better quality Government and lower cost.

But, the direct loan program we’re debating today is a welcome response to the need for real and fundamental reform in how we as a Federal Government do the public’s business.

Direct loans are what reinventing Government in the 21st century is all about. Both Republicans and Democrats should give strong support to a proposal like IDEA that accomplishes more for less.

Mr. President, a direct loan program like IDEA also promotes the important Republican principal of individual responsibility.

Last year, there were almost $3.0 billion in defaulted student loans in this country. Federal taxpayers ended up being responsible for meeting that unmet obligation.

But, under programs like IDEA, the responsibility for paying off loans stays with students—even during hard economic times—but in a way that’s fair and feasible.

When incomes are low, no payments are due. When incomes go back up, so does the size of payments.

A program like IDEA is also consistent with the principal that higher education pays off, by linking the size of loan payments to post-college income—ending the current link between access to student loans and precocious family assets or income.

And, finally, Mr. President, a program like IDEA makes a wider range of personal, family, and career choices financially feasible to more Americans.

One of those choices might be to take some period of time away from a career—as a parent at home with young children. No longer would the financial obligation of an outstanding student loan prohibit that option.

Another choice available to recent college graduates, under a program like IDEA, would be to devote some period of time to community service in a loan-paying job or even as an unpaid community volunteer.
This latter option is consistent with the President's objectives in launching a new national service program. But, it makes that choice available to recent graduates at no cost to the Government.

I am not at all sure that the Department of Education is administratively in the best condition to oversee a program of this magnitude.

I recognize that the Administration favors a direct loan program. I counsel it to move slowly and carefully in that direction. It is essential that whatever assistance and advice is necessary to help the administration fashion a reasonable and workable program. I have a deep commitment to ensuring that students will have the loans they need regardless of the shape of the program.

Regarding income contingent loan repayment, I agree wholeheartedly with the President and am prepared to help put that concept into law.

As my colleagues know, I have been a longtime advocate of National Service, and am heartened by the President's deep commitment to this idea. I know that he views changes in the loan program as an integral way to help finance National Service. And that, I am afraid, is the primary concern I have with the amendment by my friend and colleague from Kansas, for it could well put the President's National Service program at risk.

According to the provisions of the Kassebaum amendment, a reduction in required savings in the loan program would be offset by a reduction in increased investment spending. National Service requires increased investment spending. So if you reduce investment spending, you could well be striking at the heart of National Service. I, for one, would regret very much if action on National Service had to be trimmed or perhaps even curtailed as a result of passage of the Kassebaum amendment.

In sum, while I share many of the concerns of my colleague from Kansas, I must urge my colleagues to oppose this way of resolving the issue.

Mr. COATS. Mr. President, nearly 40 years ago, a group of Indiana businessmen, joined by students, came together to provide impetus for vast new opportunities in American higher education. Recognizing that bright young Hoosiers were unable to attend college because they lacked the credit history necessary to obtain financing, these leaders decided to group together to provide security for loans for Indiana students.

These Hoosier businessmen formed a nonprofit organization and began to guarantee loans—confident that the investment in our young people was sound. This Indiana initiative served as a model for our first National Defense Student Loan Program.

Today, 50 percent of all the full-time students in the State of Indiana receive Federal assistance in pursuit of post-secondary education. Over 6 million students across our Nation depend upon the Federal Government for assistance. The Federal Student Loan Program is essential to the future of these students and to our Nation—we owe it to them to act carefully and prudently when considering changes in the Student Loan Program.

Yet, the budget resolution before us today contains a provision which would speed the adoption of changes in the Student Loan Program. The reconciliation instruction to the Senate Committee on Labor and Human Resources would require the committee to achieve a savings of $6.1 billion over 5 years in the Student Loan Program—the same savings the Congressional Budget Office (CBO) claims would result from direct lending as Senator Kassebaum has explained in great detail, adoption of the budget resolution would hence require the adoption of a full-fledged direct lending program.

During last year's reauthorization of the Higher Education Act (HEA), our committee held hearings to discuss the feasibility of replacing the guaranteed student loan structure with a direct lending program. Senators from both sides of the aisle voiced concerns about this transition and agreed that we should proceed cautiously. The committee determined that direct lending should first be tested.

The reauthorization resulted in a huge direct lending demonstration program of about a half a billion dollars. Mr. President, this pilot program has not even begun, and yet, here we are talking about a complete conversion to direct lending. This rapid transition is being fueled by claims of extensive savings. But great disagreement exists as to how much savings could be achieved—if any.

Where CBO claims $6.1 billion in savings, the General Accounting Office (GAO) places this figure at $4.7 billion. The Office of Management and Budget (OMB) estimates a savings of $3.2 billion, while the Congressional Research Service (CRS) and numerous other organizations, insist that direct lending will either result in no savings or even increased costs.

Mr. President, the disparity in these savings estimates is symbolic of the uncertainties related to direct lending. We can stand here all day and argue back and forth about the savings of direct lending, but the very fact that there is such a large degree of disparity, should send up red flags. We need to study and examine direct lending's impact before we jeopardize the entire Federal student loan structure.

We are being asked to decide today, without the benefit of the demonstration project, to commit the financial aid future of millions of students to direct lending. Mr. President, I believe that too many questions remain unanswered before lend

What effect will direct lending have on students?

The effect direct lending will have on students, in terms of access to loans and ability to choose lenders which meet their needs, has not been explored.
How will direct lending impact the schools? GAO and CBO did not sufficiently take into account the financial impact of direct lending on schools.

The management firm of Peat Marwick estimate that schools would incur between $160 and $190 million in transition costs and between $130 and $179 million in additional annual administrative costs.

Schools will be expected to expand their administrative role with no compensation from the Federal Government.

Will the Department of Education be able to administer a program of this magnitude?

Concerns have been voiced from both sides of the aisle about the Education Department's ability to administer a program of the size and complexity of direct loans.

Will parents still be able to take on student loans for their children?

The concept of direct loans to parents by institutions has not been fully developed to take into account access to student loans or, conversely, poor credit decisions by schools, leading to overborrowing by families unable to meet repayment obligations.

What will happen to default rates?

Default rates under direct lending could be higher than comparable Federal Family Education Loan Programs (FFELP) during the transition period.

Mr. President, these are just a few of the questions that need to be answered before we can entrust our student's financial assistance to a full-blown direct lending program. These questions have not been adequately addressed, which is why Congress felt the need to create a demonstration program last year.

For these reasons, I join the distinguished ranking member of the Senate Committee on Labor and Human Resources, Senator Kassebaum, in sponsoring this amendment and urge my colleagues to join us. We cannot commit the future of our Nation's student financial aid program to an untested system which could jeopardize the availability, quality, and cost of high education.

Mr. McCaIN. Mr. President, the amendment I am offering today is a simple one. It would restore pay levels for military and Federal civilian employees to those authorized under current law. It would eliminate President Clinton's proposed freeze on military and Federal civilian pay during fiscal year 1994, as well as the proposed reduction in cost-of-living based pay raises during fiscal years 1995 and 1996.

The reason for the amendment is equity. The plan put forward by President Clinton, and adopted by the Budget Committee, places a disproportionate share of the burden on military and Federal civilian employees, the vast majority of whom could not be considered rich under even the most contrived of definitions, and many of whom do not even make poverty level wages.

These individuals are being asked to not only pay higher income taxes and higher energy taxes, but to have their wages frozen as well. In fact, the direct financial burden imposed on many Federal workers will be much greater under President Clinton's plan than will be borne by non-Federal workers earning much more. This isn't fair and it isn't right.

During his campaign, President Clinton said that only those Americans making more than $200,000 would be called upon to pay for his deficit reduction plans. He even called President Bush shameless for suggesting that persons making as little as $36,000 would be required to sacrifice under the Clinton plan. As we now know, President Bush actually overshot the mark and individuals making much less will be required to sacrifice to support new spending programs.

We sometimes talk about the pay of Government employees as if we were discussing some privileged class. Actually, Federal employees are generally paid less than their civilian counterparts, and many barely earn enough to maintain what would be considered a basic middle-class lifestyle. In fact, the average Federal civilian employee makes $36,000, with some workers making as little as $12,000.

The situation is even dire with respect to those men and women who serve in our Nation's Armed Forces. They too are Government employees, and most are enlisted personnel who receive comparatively low pay. In fact, 70 to 80 percent of enlisted personnel earn less than $30,000, with the lowest paid personnel earning just $9,777 per year plus allowances. Some 20,000 enlisted personnel and their families are eligible for the proposal.

Moreover, during the past 10 years, military personnel pay has significantly lagged behind inflation and private sector salaries. Inflation has outpaced military salary increases by 7.8 percent and military pay has fallen behind private sector pay levels by an additional 11.8 percent.

The men and women who serve in the military volunteer for a career where they are often asked to risk their lives in the national interest. Even during peacetime, they are subject to constant relocation and reassignment, which often means that military spouses find it difficult to keep jobs or develop careers.

Mr. President, it simply isn't fair for us to ask those who already give so much to our country to give even more.

While fairness is the principal reason I am introducing this amendment, there are other important reasons as well. For example, the President's plan completely undercuts the congressional intent underlying the Federal Employees Pay Comparability Act (FEPCA), which was designed to establish parity in Federal civilian and military salaries to local wage rates and make them more competitive with the private sector. We should live up to the commitment we made with FEPCA.

In addition, I would note that a majority of all nondefense discretionary savings in the President's plan and in the budget resolution are derived from Federal employee accounts, across-the-board Federal pay reductions and unspecified administrative or attrition savings.

While it may be appropriate to realize some savings in this area, what the American people have told us, loudly and clearly, is that we should be eliminating unnecessary Federal programs, not hurting those that can least afford to be hurt. Once again, the Congress is attempting to avoid making the tough decisions to reduce or eliminate Federal spending programs which are supported by favored constituencies and special interests. Therefore, the costs of this amendment would be offset with commensurate reductions in the $112 billion in new program spending proposed in the President's plan and assumed in the budget resolution.

Mr. President, I urge my colleagues to play fair with those serve in the military and the Federal Government and support this amendment.

Mr. STEVENS. Mr. President, this amendment offered by myself, Senator Kassebaum and Senator Lugar tries to correct an unconscionable provision of the proposal before us. Mr. President, under current law when a Federal employee retires, that person can elect to provide an annuity for surviving spouse. If the employee does not, the employee receives a portion of retirement for the balance of his or her life. When the employee dies, the survivor receives a portion of the annuity that the employee has been receiving.

The provision that we would strike would require that the surviving spouse annuity be based upon a percentage of the retiree's reduced amount. What it means simply is that if you look at employees who retired around 1980, the average annuity of about $11,000 would go to the surviving spouse. This proposal would take $1,500 from those people who are currently getting 50 percent of the deceased spouse eligible annuity. It means $1,500, or in many cases a small portion of our society who are widows of people who spent their lives working for the Federal Government.

I cannot think of anything that I have seen in this proposal that is worse. I make this statement now because I hope every Member of the Sen-
Mr. BAUCUS. Mr. President, I rise in opposition to the Lott amendment. Under President Clinton's leadership we are now engaged in the difficult business of beginning to solve the Government's fiscal crisis. Rest assured that if we don't take care of the deficit, it will take care of us. It is clear that the deficit must be reduced and it is equally clear that any measures aimed at reduction must be fair and even-handed.

President Clinton is mindful of the issue of equity and has called for a sharing of the burden, but only by all who can genuinely afford to contribute, and this would include some seniors. Presently, one out of five social security beneficiaries pay some tax on 50 percent of their benefits. The Clinton proposal would increase the rate of tax to 85 percent. Two important features need to be noted. First, these tax rates only become effective after one's income rises above certain threshold levels. These thresholds are designed to protect low- and middle-income beneficiaries from paying taxes they cannot afford. Presently, these thresholds are $25,000 for an individual and $32,000 for a couple, but it is conceivable we could raise these thresholds if fairness an equity demanded it.

Second, this approach does not extend the tax to new seniors but is addressed to the more affluent. For example, the Congressional Research Service projects the scenario of a retired couple with $20,000 in Social Security benefits and $35,000 in other income from private pensions, interest and dividends. These folks would pay an additional tax of $551, or viewed another way, $46 per month. Analysts point out that since even the most generous private pension plans rarely pay ordinary retirees more than about $20,000 a year, this couple would have to have a significant investment portfolio of several hundred thousand dollars. On balance, therefore, I think these folks are able to participate, to bear a share of the deficit reduction. And I honestly think that many seniors would willingly do so, because they know the deficit has to be dealt with if the country is going to get back on track and have a future.

Finally, I wish to add that the Clinton administration has indicated that all the revenues raised from this tax will be funnelled into the Medicare Program which seriously needs fiscal attention. In other words, these funds will still be used to serve seniors.

The Lott amendment proposes to maintain the status quo of a fiscal house in disorder. It falls to restore equity into the tax system and it favors the well to do at the expense of the rest of society. It would be to send a message that the government is withholding benefits to those that may not have a genuine need. This amendment looks to the past, not the future, and it needs to be defeated.

Mr. SMITH. Mr. President, I rise in strong support of the Thurmond amendment to continue military pay adjustments as prescribed under current law.

Mr. President, as requested by the Clinton administration, the budget resolution before us freezes military pay in fiscal year 1994 and decreases cost-of-living adjustments for military personnel in the future. From the outset, I want to say that I vehemently oppose this initiative.

While we in Congress may disagree on the merits of various defense programs and priorities, personnel compensation issues should not be partisan. The U.S. military is an All-Volunteer Force that endures great sacrifice in the line of duty. Personnel on deployment are routinely separated from loved ones for as much as 6 months at a time. The remuneration that they receive for their service can hardly be considered generous.

Under the existing base force plan we are eliminating 500,000 active duty personnel from the Armed Forces, many against their will. In addition, President Clinton has advocated cutting an additional 200,000 personnel by 1998, which is certain to trigger widespread involuntary separations. At a time when the military is already facing such uncertainty and anguish throughout the ranks, I find it unconscionable that Congress would even consider cutting the pay of our military personnel. Further, we must not be so short sighted as to believe in a time of peace we will not be relying upon the U.S. military to safeguard our security. They did not let us down. Now that peace has been achieved, we must not let them down. The amendment before us would correct a terrible inequity and reinstate funding for the military pay adjustments prescribed under current law.

I urge my colleagues to support this important amendment and I yield the floor.

Mr. PELL. Mr. President, I join the Senate from Massachusetts [Mr. Kennedy], in introducing this amendment to send a strong message to the Finance Committee that residential consumers of home heating oil should not be forced to pay a disproportionate share of the Btu energy tax. As my neighbor in Massachusetts well knows, we in New England are placed in a very difficult position because our region relies heavily on home heating oil to keep us warm during the cold New England months. In fact, 35 percent of the homes in Rhode Island are heated with home heating oil, compared to only 14 percent nationally. We are willing to pay our fair share, but the supplemental tax portion of the Btu tax will have a significant and unfair impact on the residents of my State. With this supplemental oil tax, we are requiring that households using home heating oil either pay a premium over and above what they pay for their other energy or face the considerable cost of converting their home to an alternative energy source. And the cost of conversion are not inexpensive, running on the order of $2,000-$5,000.

The reality of the budget deficit and a decade of neglect in domestic investment has forced us to look at the tax as well as the spending side of the budget. And while I am not elated at the prospect of raising taxes, I do recognize that we have to make difficult choices if we are going to put this country back on track. I support an energy tax as a revenue raising option and believe the flat Btu tax spreads the burden across the broadest base of folks and is the most fair regionally. However, the President's plan includes a major differential on oil that will hit home heating oil consumers much harder than others and I must express my objections to this inequity in an otherwise fair plan.

Although the administration recognized the inequity of home heating oil consumers by proposing a one-year delay in the phase-in of the supplemental tax on home heating oil to ease the transition for households that switch to another form of energy, many of these consumers lack the resources and the willingness to switch to another energy or face the considerable cost of reducing the budget deficit if that burden is spread fairly. This supplemental tax imposes significant additional costs on residential consumers of home heating oil, and I am pleased that my colleagues have accepted this amendment.

Mr. HATFIELD. Mr. President, it is important that I make myself clear on the fact that I do not vote for the Republican alternative, because I support higher spending on defense programs. I support the Dole alternative in spite of the additional DOD money, because I believe that the other proposals included in the Republican package are important to the economic viability of our nation and worthy of acceptance.

The Republican alternative budget resolution would eliminate the almost $300 billion in new taxes proposed in the President's economic plan. I have
been inundated with letters and calls from Oregonians asking Congress to cut spending first before we ask them to pay more in taxes. Previously, I have expressed my concern regarding cuts in Federal funding that are assumed within the President's plan. The so called tax cut has many potential implementation problems, is inherently regressive, and potentially devastating to certain energy intensive industries in the Pacific Northwest.

Another extremely important point in support of the Dole amendment is the provision for significant entitlement reform. I was one of the few who voted in support of implementing caps on non-Social Security mandatory spending during last year's budget resolution. This part of our budget has been out of control for some time now. Some 96 percent of the spending in increases over the next 5 years will be in mandatory programs. Attempting to control these costs recognizes that the heart of our budget difficulties lie not in the lack of revenues, but in the lack of control we have over our expenditures in certain government programs.

My vote for the Dole amendment notwithstanding, I cannot agree with those on both sides of the aisle who claim that the defense budget is absorbing inordinately large cuts. Of course each billion saved out of the Pentagon's budget is significant and has an effect upon our national security posture. But several military analysts have shown us that it is possible to achieve significant savings in defense in this time of lessened external threats. I believe we can go beyond the Clinton proposal.

This is not the last opportunity for Congress to consider this year's defense budget. It is certainly not our best opportunity for we do not have or hands on any budget documents from the new administration which could give us an clue as to where the changes will be made. As we move on to the authorization and appropriations process, I will continue to argue for deep, and responsible, reductions in military spending.

Craig Amendment

Mr. MURKOWSKI. Mr. President, I rise today in opposition to the amendment of the Senator from Idaho which would repeal the Davis-Bacon Act. The Davis-Bacon Act requires the Federal Government to pay workers on Federal construction projects the prevailing local wage for similar labor on comparable construction work. The Davis-Bacon Act is important law, and deserves the support of this body. I urge my colleagues to defeat the Craig amendment.

Passed in 1931, the Davis-Bacon Act is designed to protect local contractors and local workers. Prior to the passage of Davis-Bacon, local contractors and workers could not gain access to Federal projects because of competition from out-of-town, fly-by-night firms which would come to a locality and underbid local contractors. The fly-by-nights were able to underbid local contractors not because they were more efficient, but because they came to a locality with low wages and made lower bids on work standards. This nefarious activity by fly-by-nights had several effects. It hindered the growth of local enterprises and local employment, it artificially caused local wages to be lowered, and it led to a credibility gap between those people in a community for whom the project was to benefit and the out-of-town, wage-cutting contractors.

Davis-Bacon ended those practices, strengthening the diversity of the contracting industry, ensuring the employment of local people, and guaranteeing that workers on Federal projects are fairly paid. These achievements are particularly important in my State of Alaska. Living costs in Alaska are significantly higher than those in the lower 48. This is true for a variety of reasons, including the lack of an industrial infrastructure, high shipping costs, and severe weather conditions. As a result of these factors, a study commissioned by the State of Alaska found that the cost of living in Anchorage, the largest city in Alaska, was some 14 percent higher than the cost of living in the nearest city in the continental United States, Seattle.

That 14 percent difference is the key to understanding the importance of Davis-Bacon to Alaska. Without Davis-Bacon, an outside contractor could come to the State with a bid based on the hiring of workers from outside. Those workers would be subject to the costs of living in Alaska only for the duration of the project; they would never pay higher Alaska mortgages, never pay higher costs to feed and clothe their families, and never stay and contribute to the economic and social well-being of their communities and the State. Without those costs, these outside workers could in fact undercut the wages of Alaskan workers.

Ultimately, I believe that such an economic distortion would force that there would be no resident labor force in Alaska.

However, with Davis-Bacon ensuring that local wages are not undercut, contractors have no incentive to bring in outsiders. Instead, contractors hire Alaskans for Federal projects, men and women who contribute every day to making the State stronger economically and socially. These Alaskans make up one of the most highly skilled and diverse resident labor forces in the country. That is why, Mr. President, I feel as strongly as I do about keeping Davis-Bacon on the books, and I urge my colleagues to defeat this amendment.

Having said that, let me also speak briefly on another matter of great concern to working men and women. That is the issue of striker replacement legislation. As you know, legislation has been introduced in this body which would prohibit employers from hiring permanent replacement workers in cases of labor disputes involving economic matters. While it is already illegal to hire permanent replacement workers if the issue is one of unfair labor practices, this new legislation would extend that prohibition to workers hired during strikes based on economic concerns.

Mr. President, I oppose the so-called striker replacement legislation for much the same reason that I support Davis-Bacon. The reason is simple: I want to keep jobs, not lose them. Striker replacement legislation would alter the current balance between business and labor, a balance which has been in place for more than 50 years, and which has served both parties fairly. Striker replacement legislation would give enormous new power to unions, but I believe that power would ultimately be to the detriment of the workers and the men and women of this country.

First, I believe that striker replacement legislation would have a negative impact on American competitiveness in the global marketplace, and could force the transfer of American businesses. Foreign companies which manufacture and export goods to the United States would not bear the cost of such legislation, and so American companies would be encouraged to relocate from the United States to overseas. We have already lost many American jobs to foreign nations were labor costs are lower. We do not need to further this trend.

Second, though some of the proponents of this legislation say that it is anti-labor to oppose it, nothing could be further from the truth. In fact, it would result in lower. We do not need to further this trend.

enforces more efficiently and competitively in
EXTENDING LOW-INCOME HOUSING TAX PROVISIONS

Mr. SARBANES. Mr. President, I would like to address a question to the distinguished chairman of the Budget Committee. My question concerns the resolution's assumptions with respect to the extension of certain tax incentives for affordable housing.

The low-income housing tax credit and the mortgage revenue bond programs are integral elements of Federal housing policy. Since its enactment, the tax credit has contributed to the development of more than 420,000 rental apartments for families earning less than 60 percent of median income. The mortgage revenue bond program has provided low-cost financing to more than 1.4 million families earning less than 115 percent of median income, allowing those families to purchase their first homes. Both of these programs have the dual benefit of creating jobs in the construction industry as well as expanding housing opportunities for low-income families. I was quite pleased that the President's economic package called for permanent extension of these two valuable programs.

Mr. President, there is some concern that the assumptions behind the Senate budget resolution before us today might back off from the commitment to extend the low-income housing tax credit and the mortgage revenue bond programs permanently. I would like to take this opportunity to ask my colleagues from Tennessee, the distinguished chairman of the Budget Committee, if, in putting together this resolution, there was any intention to suggest that these important housing tax incentives should be extended for only 2 years?

Mr. SASSER. Mr. President, I am pleased to respond to my colleague from Maryland. I share his interest in maintaining these important affordable housing tax provisions. I have supported permanent extension for both the low-income housing tax credit and the mortgage revenue bond programs many times in the past. The Senate budget resolution before us today is in no way intended to suggest otherwise. I know that my colleagues have both the low-income housing tax credit and the mortgage revenue bond programs expired on June 30, 1992. This hiatus has caused considerable disruption in the affordable housing delivery system. Housing projects require a long lead time for site acquisition and planning. Permanent extension is the only solution if we want to reassure the low-income housing community that they can go ahead with their plans. Permanent extension will prevent disruptions in the future.

Twice last year Congress provided permanent extension of these tax provisions in bills subsequently vetoed by President Clinton. This year, the new administration has supported permanent extension, and I plan to work with our colleagues on the Finance Committee to secure permanent extension once and for all, in this year's tax bill.

Mr. SARBANES. Mr. President, I thank the Senator from Tennessee for his remarks and look forward to working with him to secure permanent extensions of these programs.

Mr. SMITH. Mr. President, the Clinton proposal, as we all know, imposes a tax of nearly 26 cents per million Btu's on fossil fuels. While I strongly oppose this unfair tax, that is not what I am here to discuss. What I am here to discuss is the additional 34 cents per million Btu's surtax on oil alone. I am most concerned about the people in New Hampshire and the Northeast corridor who use oil to heat their homes. Oil now accounts for 45 percent of residential heating consumption in New Hampshire. Imposing a total tax of nearly 60 cents per million Btu's tax on oil from some producers in New Hampshire to make a choice between putting food on the table or keeping their children warm.

I believe that there are at least two things that need to be addressed before we allow this surtax to be imposed. Who does this tax hit the hardest and what good will come of this additional surtax?

First, who does this tax hit the hardest? While the majority of this unfair tax will be levied on those in the upper income tax bracket, the fact remains that the upper income tax bracket has the money to pay for it. With regard to the very poor, President Clinton has realized that this surtax will impose a heavy burden on people that are just trying to get by. Consequently, he has proposed increases for the Low-Income Home Energy Assistance Program. This provision may offset the new tax surtax burden on the very poor. However, I am not confident of this. Having said all that, who do you think will be the tax? It is the middle class. This tax is not fair. This tax does not impose equity. This tax will drive the middle class, especially those who are unemployed and on shaky fiscal ground, right into poverty.

Second, what good will come of this additional surtax? This tax is expected to raise only $1.1 billion. Where are our priorities when we are frivolously spending billions and billions of dollars, yet we are voting to impose an unreasonable tax burden on our lower and middle classes? I would also like to point out that the estimated $1.1 billion that will be raised as a result of this surtax will not even be used to offset our national debt that now looms at around $4 trillion.

Mr. President, I believe that we have a responsibility to allow the lower and middle classes to keep their money and put food in their children's mouths, and clothes on their children's backs. Consequently, I urge all Senators to vote in favor of the Murkowski amendment.

TO EXEMPT COMMERCIAL FISHING INDUSTRY VESSELS FROM THE BTU TAX

Mr. MURKOWSKI. Mr. President, I am today offering an amendment to exempt fuel used by vessels operating in the commercial fishing industry of the United States from the Btu tax as proposed by the President.

I believe this amendment is needed for several reasons. The seafood industry is a valuable component of this Nation's economy. It is one of the few areas where the United States consistently has a trade surplus, which has a positive impact on our economy and on the United States' standing in the economic world.

Our commercial fishermen produce healthy protein for a hungry world, and employ thousands of individuals in coastal States. Jobs are provided for many thousands of others in transportation, seafood processing and distribution, wholesale and retail sales, and so forth.

Unfortunately, Mr. President, the industry is not in the best of health. Prices for many fish species are low, and many experts will tell you that a large number of fishermen and fishing companies are operating on the edge. This tax could well push them over the edge.

If what we are trying to do is create jobs, let us not take actions that would result in losing them in large numbers. My colleagues may have seen recent news accounts of civil unrest among fishermen in France and other countries, due to the poor shape of European whitefish markets. The situation in the United States is not that much different. The reason for that is that seafood prices are set by a world market, not by local markets. Dumping of whitefish products in Europe has a di-
rect effect not only on French fishermen, but on our own as well. Similarly, the growth in salmon farming production in Norway, Great Britain, Chile, Canada, and a host of other countries has led to direct and indirect effects on fishermen in Alaska and the Pacific Northwest, and on American salmon farmers.

At this sensitive time, adding an additional tax is exactly the wrong action. It places the fishing industry at great risk, along with all the jobs it creates both directly and indirectly. It also places at risk the U.S. supply of healthy, ocean-grown protein, such as the millions and millions of pounds of high-quality fish caught each year off the coast of my own State of Alaska.

This is not just a question of jobs. It is a question of where the country should be putting its emphasis. Let us think about what we are doing. We have had much debate recently on the subject of health care, and I believe there is general agreement that American medicine is preferable if we wish to have more seafood. Yet what are we doing? We are preparing to adopt a tax that will both reduce the amount of seafood available to consumers, and increase our dependence on imported foreign seafood, much of which—according to FDA studies—is not as carefully and safely processed as American-caught seafoods.

Mr. President, the seafood industry would provide a very limited amount of income through the Btu tax—approximately $45 million in fiscal year 1994, increasing to $134 million in fiscal year 1996 and beyond—but the tax would have a tremendously damaging impact on the industry, on seafood-related jobs, on the viability of Government and private loans already made to the industry, and perhaps to public health. We here in the Senate often pride ourselves on being able to take the long view of the issues of our time. I urge my colleagues to take the long view on this issue, and realize that exempting fishing industry vessels from the Btu tax will be far more productive than the alternative.

VOTES ON GRAZING FEES AND MINING LAWS
Mr. PRESSLER. Mr. President, the Senate was confronted yesterday with two votes that were intended to ensure that fees charged to ranchers for grazing on public lands and the royalty fees for hardrock mining on Federal lands be established to ensure a viable ranching and mining industry. On the surface, it would appear that a Member supporting one amendment would support the other. However, that was not the case.

The Bingaman amendment simply expressed the sense of the Senate that the fees established on grazing lands and mineral leases be heard on and to ensure viable industries. However, the amendment from the Senator from New Mexico did not include the specific numbers in the budget that would need to be adjusted to achieve the stated goal. Ranchers and miners are vital to South Dakota. I support their continued viability.

On the other hand, the amendment from the Senator from Wyoming (Mr. WALLOP) achieved the intent of both amendments and, at the same time, provided specific numbers that the Appropriations Committee could follow to ensure the future good health of our ranching and mining industries.

While I supported the spirit of the Bingaman amendment, I was compelled to vote against it. It was imperative that the Senate provide the specific budget details needed to achieve fairness for our ranchers and miners. Those specifics were included in the amendment from the Senator from Wyoming and that is the reason I supported the Wallop amendment on grazing and mining fees.

THE BUDGET RESOLUTION
Mr. SMITH. Mr. President, this budget resolution speaks for itself. If we look on page 3, line 6, we see the following:

PUBLIC DEBT—The appropriate levels of the public debt are as follows:

Fiscal year 1994: $4,732,700,000,000.
Fiscal year 1995: $5,082,500,000,000.
Fiscal year 1996: $5,428,800,000,000.
Fiscal year 1997: $5,788,900,000,000.
Fiscal year 1998: $6,161,400,000,000.

That is what people in the business community would call the bottom line. After all the claims and counterclaims, when the dust settles, this Nation will be more than $6 trillion in debt.

Again, let us read the resolution. On page 41, line 7, we find the following:

The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1994: $307,456,000,000.
Fiscal year 1995: $326,949,000,000.
Fiscal year 1996: $345,874,000,000.
Fiscal year 1997: $362,860,000,000.
Fiscal year 1998: $380,168,000,000.

Given those staggering numbers, it is hard to believe that the Senate is debating a budget that would add $140 billion in new spending over the next 5 years.

I have heard a lot of talk in this Chamber about the investment deficit in this country. I have seen graphs and charts that compare the levels of investment among industrialized nations.

Mr. President, those charts ignore one very important point: No other nation in the world is $4 trillion in debt. I am certain that there are many families in New Hampshire that would like to invest more money in education, or a better roof over their heads. But they cannot invest what they do not have.

Mr. President, the Federal Government cannot spend what it does not have—and we do not have money. Undoubtedly, if everything goes as planned, this is what will happen to the budget deficit under the Clinton plan:

1994—$268.1 billion.
1995—$257.0 billion.
1996—$220.0 billion.
1997—$204.9 billion.
1998—$228.5 billion.

With all the different budget estimates discussed in the Senate, it is easy to get confused. The American people, however, need only to remember the following three numbers.

First, $228.5 billion—that is the minimum amount the deficit in 1998 according to the Clinton plan. It will likely be much higher.

Second, $380.2 billion—that is the minimum amount the Federal Government will pay in interest in 1998 according to the Clinton plan. It will likely be much higher.

Third, $3.2 trillion—that is the minimum amount of the national debt in 1998 under the Clinton plan. Again, it will likely be much higher.

Mr. President, that is not progress, it is pathetic. Mark my words, if this plan is adopted, I predict that:

The deficit will exceed $300 billion in 1998.
Interest on the debt will exceed $400 billion in 1998.
The National debt will be $6.5 trillion in 1998.

President Clinton's budget represents a complete retreat from candidate Clinton's promises.

Candidate Clinton promised a tax cut for the middle class. President Clinton's plan will increase taxes on families earning more than $25,000.
Candidate Clinton proposed $60 billion in defense cuts over the next 5 years. President Clinton has proposed defense cuts of $112 billion—without offering any specifics.
Candidate Clinton promised policies that would invest in people and create good jobs at good wages. President Clinton has proposed a new energy tax that will destroy jobs and stifle economic growth.

Mr. President, according to the Congressional Budget Office, the Clinton plan asks Americans to pay $3.80 in additional taxes for each $1 of spending cuts. That is not shared sacrifice. It is offering taxpayers up as sacrificial lambs.

I urge my colleagues to reject the Clinton budget. It speaks for itself.

Mr. SIMON. I would like to thank the chairman of the Budget Committee, Senator Sasser, for engaging in this colloquy with me.

The issue I would like to discuss today is the Job Corps. I was very pleased with President Clinton's commitment to fully funding the Job Corps 50-50 plan by the year 2001. The Administration has proposed $133 million for Job Corps fiscal year 1994, as well as $30 million to eliminate maintenance backlogs. These funds are badly needed, and I fully support these funding levels. I know that the chairman of the
Budget Committee is very supportive of this proposal as well.

Mr. SASSER. That is correct. I, too, fully support the administration's Job Corps proposals.

Mr. PETE V. DOMENITZ, Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, D.C.

Mr. SASSER. That is correct. I, too, fully support the administration's Job Corps proposals.

Mr. PETE V. DOMENITZ. With adequate appropriations levels, 50 new Job Corps centers can eventually be opened. Opening new centers will help the program ultimately serve 50 percent more youths than are currently served. There are many areas of the country that desperately need these centers. I have been pushing for appropriations to open a Job Corps center in Chicago for many years. Chicago is the largest urban area that does not have a center now. In addition, there is a large population of at-risk young people there.

I know the Senator from Tennessee has also worked hard to locate a center in Nashville. I believe both these sites have a great deal of merit, and it is my hope that the priorities set out by the Clinton administration with regard to Job Corps will help to finally get these centers off the ground.

Mr. SASSER. I agree that both Nashville and Chicago would be excellent sites for Job Corps centers. We finally have leadership from the administration in this area, and a commitment for adequate funding levels. This leadership is long overdue. I look forward to working with my colleague from Illinois on this issue in the future.

The CONGRESSIONAL BUDGET RESOLUTION AND VETERANS PROGRAMS

Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, I rise to support the resolution as it was reported by the Budget Committee. The resolution's treatment of veterans programs embodies the recommendations in President Clinton's budget. On March 5, our committee provided to the Budget Committee our views and estimates regarding the budget for veterans programs. I ask unanimous consent that this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 700.)

Mr. ROCKEFELLER. Mr. President, this is a budget that recognizes the importance of meeting this Nation's solemn obligations to those who have served and sacrificed to protect our country—and to their families and survivors. The President has not proposed—and this resolution does not contain—provisions that would jeopardize the compensation paid to service-disabled veterans, their families, or their survivors. It does not unfairly single out veterans for cuts in cost-of-living adjustments or other benefits that remain untouched in similar, non-veteran programs.

President Clinton did not forget veterans in his plans for economic recovery and investment in America's future, recognizing the important role that veterans programs can play in these efforts. It is essential to veterans and all Americans that we move quickly, after adopting this resolution, to enact the economic stimulus package that the President has recommended.

As President Clinton has said, significant sacrifices will be necessary to bring the huge federal deficit under control after 12 years of borrow-and-spend policies that have mortgaged our children's future. Veterans proudly sacrificed during military service and they have told us again and again that they will do their fair share for the economic security of our country.

Mr. President, this is what one veterans service organization said at a recent hearing before our Committee:

"Priorities have to be set and painful, unpopular decisions have to be made. * * * Parochial concerns * * * cannot be controlling as we address the related questions of our economic health and the federal deficit.

Almost all of the major veterans groups have made similar statements about the needs of veterans and their families—like the overwhelming majority of Americans—clearly stand ready to share in the sacrifices President Clinton has called for in his budget."

Mr. President, as we move ahead into the appropriations process, we must keep in mind two major concerns.

First, for several years, the budgets for the Department of Veterans Affairs and veterans programs in other Federal agencies have not kept up with inflation. Funding shortfalls have caused real reductions in vital medical care and other services.

The current level of VA medical care does not meet many critical healthcare needs of veterans. For example, VA currently is not meeting the full needs of veterans suffering from post-traumatic stress disorder or with spinal cord injury. And in order to meet day-to-day operating expenses, VA medical centers have used money that was meant for replacing broken and outdated medical equipment, creating an enormous backlog that will approach $1 billion at the end of the current fiscal year. VA medical research, which is so important to VA's efforts to address the health needs of veterans and to recruit and retain qualified medical professionals, has been cut back severely. VA research has produced thousands of important breakthroughs in medicine and improvements in the delivery of medical services—results that benefit not only veterans, but all Americans. President Clinton wants to invest in our Nation's future by investing in productive research—VA medical research is a good place to start.

Second, I am very concerned about suffering reductions that would threaten delivery of veterans' medical-care services or other benefits that veterans earned through service to our country. Our committee has been very active in ensuring that VA has the necessary tools to attract and retain highly qualified nurses, doctors, and other medical professionals. But we must make sure that VA has the funds it needs to use the tools we have provided, such as the system of locality pay for nurses.

Most important, Mr. President, we should not add to VA understaffing by imposing arbitrary, across-the-board personnel cuts.

Mr. President, today, our committee held a hearing on the terrible delays that veterans and their families face in trying to receive the benefits to which they are entitled. Government-wide personnel reductions could dramatically increase already unacceptable delays in processing VA claims and providing rehabilitation counseling and other services to veterans. Staffing reductions in these functions would not reduce bureaucracy and delays—in fact, they would increase both.

Mr. President, this is a good budget for veterans and for all Americans. After the failure of 12 years of borrow-and-spend budgeting, our new President deserves the chance—has the responsibility—to try a new approach. He has the overwhelming support of the American people and he deserves nothing less from their elected representatives in the U.S. Senate.
Committee in developing a budget that meets our nation's obligations to veterans and their families and we hope that you will consider our views carefully in formulating the budget resolution.

**INTRODUCTION**

President Clinton has outlined a budget that recognizes the importance of meeting this nation's solemn obligations to those who have served and sacrificed to protect our country—and to their families and survivors. The President has not proposed budget cuts on programs that keep our veterans' compensations paid to service-disabled veterans, their families, or their survivors. He has not unfairly singled out veterans for cuts in cost-of-living adjustments or other benefits that remain untouched in similar, non-veteran programs. President Clinton's budget also includes veterans in his plans for economic recovery and investment in America's future, recognizing the important role that veterans programs can play in these efforts.

We congratulate President Clinton on choosing Josie Brown as Secretary of Veterans Affairs and commend Secretary Brown for his role in putting forth a generally positive budget for veterans programs.

As President Clinton has pointed out, significant sacrifices will be necessary to bring unity to the federal budget deficit that has accumulated and grown over the last 12 years. Veterans proudly faced sacrifice during military service and we know that their sacrifice is a small share of the economic security of our country. At a recent hearing, one veterans service organization stated to the Senate Committee on Veterans' Affairs that "priorities have to be set and painful, unpopular decisions have to be made." Parochial concerns* cannot be controlling as we address the related questions of our economic health and the federal deficit.

VETERANS AND THEIR FAMILIES

Veterans and their families clearly stand ready to share in the sacrifices President Clinton has called for in his budget.

For several years, the budgets for the Department of Veterans Affairs and veterans programs in other federal agencies have not kept up with inflation. Funding shortfalls have caused real reductions in vital medical care and other services for veterans and drastically increased the time it takes veterans and their families to receive benefits the veterans earned through service to our country.

Although we do not have the detailed FY 1994 budget, we are pleased that the President has identified the importance of this budget for veterans programs and has called for in his budget.

We strongly support his proposal to provide $235 million in the current fiscal year (FY 1994) for veterans' medical care. The Administration has included this funding in its FY 1994 budget and, consequently, we do not yet have documents that estimate and justify expenditures for specific services and benefits funded from each account.

Based on the best information available, considerable delays in providing care to veterans would have a significant impact on reducing both veterans' access to needed services and VA's ability to deliver them.

VETERANS MEDICAL CARE

Without knowing the exact funding level to be provided for the Medical Care account, it is impossible to judge whether the amount would be sufficient to provide even minimally acceptable levels of care. The current services provided to veterans include an increase to cover the costs of inflation, but the adjustment is based on the general inflation rate and does not account for the specific health-care inflation rate. Therefore, baseline funding for medical care could require real reductions in VA health-care services.

Perhaps most important, there are vital health-care needs—right now—that VA is not able to meet within its current budget. During 1993, Congress became aware of a fiscal crisis that had been growing in the VA health-care system. During the mid-to-late 1980s, Administration officials had disregarded large shortfalls in VA's medical care account funding and reassured the Congress that the Administration-requested funding levels were adequate. Despite substantial congressional add-ons, funding deficiencies grew. VA medical centers were forced to use funds originally appropriated for long-term purposes, such as hospital repairs and medical equipment, for daily operating expenses, such as staff salaries, supplies, and medications.

In the paragraphs below, we have described the most pressing needs in VA medical care today.

**Medical equipment procurement backlog.** VA faces a huge, continuing backlog in replacing aging and outdated medical equipment. The backlog affects VA's ability to provide VA patients with up-to-date medical care.

Financial shortfalls in VA have gravely affected veterans' medical care and VA's ability to provide even minimally acceptable levels of care. Without adequate funding, VA faces an inherent dilemma: veterans must wait longer for care and VA's ability to provide even minimally acceptable levels of care will be reduced.

The proposed government-wide personnel reductions could have devastating effects on veterans' health care and dramatically increase VA's health care deficit. Personnel reductions would result in restructuring the medical care system and reducing the number of VA employees. VA would be left with fewer personnel to provide medical care to the more than 7 million veterans who currently receive VA medical care and who are waiting for care at VA medical centers.

Waiting times for care and treatment. The amount of time a veteran must wait to receive certain types of VA health care are unacceptable.

**Post-Traumatic Stress Disorder (PTSD):** Combat service frequently leads to development of PTSD. Meeting veterans' needs for diagnosis and treatment of PTSD must be a very high priority of the VA health-care system. But many veterans do not receive the treatment they need in a timely manner.

Specialized Inpatient PTSD Units (SIPUs) provide intensive care for PTSD in hospital setting but, in many years by chronic waiting lists. Almost veterans currently are waiting for care at SIPUs. The average waiting time for these veterans to receive treatment is about four months. At one facility, the wait for treatment is over a year. According to one of the special committees on PTSD that found that treatment access for PTSD suffers from PTSD.

The VA estimates that there are about 100,000 veterans waiting for PTSD treatment. But many veterans are not able to receive certain types of VA health care are unacceptable.

**Preventive services, home-care, and hospice services.** VA experiences shortfalls in other health-care professions as well. Changes to overcome these problems involve additional costs in the short run. In the long run, however, they can improve recruitment, retention, and job performance of health-care personnel—and thereby save money in VA's delivery of health care.

**Non-acute care services.** Preventive services, home-care services and other non-institutional alternatives to nursing homes, and hospice services are in the mainstream of U.S. home care. These services are very well accepted by veterans.
The Decentralized Hospital Computer Program (DHCP) uses standardized software and hardware to support varied administrative and clinical functions at VA medical centers. For the past three years, OMB has rejected VA requests for funding necessary to ensure that the DHCP keeps pace with rapidly changing technology. This prevents increased administrative efficiency and improved patient services that the DHCP has shown it can produce.

Non-recurring maintenance and repair. We strongly endorse President Clinton's proposal to provide $235 million from the economic stimulus package to address the $2 billion maintenance backlog of non-recurring maintenance and repair (NMR) projects. These are improvements in existing buildings or projects necessary to keep aging facilities functioning. It includes projects to repair roofs; maintain heat, ventilation, and air-conditioning systems; and improve electrical and mechanical utility systems. Reducing this backlog is critical for VA's services program. It is not realistic to expect VA to divert resources from other activities that will also experience increased workloads due to the downsizing of the Armed Forces. At the funding level provided for FY 1993, service-disabled veterans will have to wait an average of 91 days for an initial appointment. VA's own standards allow an average waiting time of 30 days.

The growth and success of VRC&D's disabled transition assistance program (DTAP), designed for service members who are being separated for medical reasons, will add to the VRC&D workload problem for FY 1994. Information resource management. VBA's automated data processing and telecommunications systems that support benefits programs for veterans and their families. Full funding of VBA's planned improvements in this program would cost $121.1 million in FY 1994.

This includes $71.8 million and $71.3 FTE to support current systems in FY 1994—enough to deliver network and the insurance system, maintenance of VBA's first-stage modernization plan, equipment, training, in the use of new technology, and implementation of new systems.

It also includes $49.3 million and 54 FTE for continued VBA modernization. Since 1985, VBA has undertaken efforts to improve the delivery of benefits and services through modernization and extension of its technology base. The next phase of the modernization plan will replace data systems at VBA's two benefits delivery centers—systems that support VBA's central applications and its data exchange with other agencies. This phase of the system modernizations will cost $22.6 million. The remaining $25.7 million is needed for continued computerization of payroll, travel, training, support, and increasing training and maintenance upgrades; and technology enhancement initiatives.

Veterans home-loan programs. Current budget scorekeeping rules require the budget to include costs of loan-servicing staff while ignoring the savings to the government from reduced foreclosures. The increased servicing that the additional staff would provide. A pilot program in Houston documented net savings of over $11 million a year in 1990. The additional cost of state and local governments for the FY 1990 budget was approximately $35 million, representing a net savings of $1.1 million for each FTE. During FY 1991 (the most recent fiscal year for which data are available), VA docu-
CONGRESSIONAL RECORD—SENATE

March 24, 1993

VA needs increases above current-services levels to provide adequate health care for veterans and reduce intolerable delays in delivering benefits to disabled veterans. VA certainly should pursue long-term efforts to achieve savings through greater efficiencies, but we should not hurt veterans programs by curtailing operations and services. VA has the capability to deliver benefits in a timely manner and can do so without reducing the VA's budgetary ability to deliver benefits in a timely manner. Any cuts in VA continuing fiscal crisis in VA medical care and on the servicing efforts of 231 FTE. Taking into account FTE cost savings ($34,572) the average net government savings for each FTE was more than $1,896.00 in FY 1991—equivalent to $202,000 in current dollars.

Using even the most conservative of these two estimates, the government actually can save $500,000.00 on each additional FTE dedicated to loan servicing.

We urge your Committee to change the budget scorekeeping rules to reflect the true budgetary impact of adding employees who would produce these savings. Funding should be provided for the cost-effective addition of loan servicing personnel.

DEPARTMENT OF LABOR VETERANS' EMPLOYMENT AND TRAINING PROGRAMS

Transition Assistance Program. Public Law 101–510 gave the Department of Labor (DOL), in conjunction with the Departments of Defense and VA, the responsibility to conduct the Transition Assistance Program (TAP), which assists servicemembers who are within 180 days of being discharged to make the transition from active duty to civilian employment. Public Law 102–484 authorized $3 million for DOL's TAP efforts in FY 1993. This program is necessary to enable the federal government to help those who served so well when our defense needs were greater make the transition to civilian life and employment.

State grants programs. Chapter 41 of title 38, United States Code, prescribes the staffing levels for both the disabled veterans outreach program (DVOP) and the local veterans' employment representative (LVER) program. State personnel provided through the DVOP and LVER grants programs provide job counseling, training and placement services for eligible veterans, in addition to providing TAP services. For the last two fiscal years, the funding levels requested and appropriated have been below those required by statute. Without full funding, DVOP and LVER shortfalls will leave unemployable veterans underserved and hinder efforts to provide transition assistance services.

Job training programs. Title IV of Public Law 101–510 authorized $75 million for programs to employers under the Service Members Occupational Conversion and Training Act of 1992. Assistance may not be paid on behalf of individuals who initially are not eligible for a program of job training after September 30, 1995, or for any such program that begins after March 31, 1996. Increased downsizing of the active-duty Armed Forces will require a $25-million increase in the authorization level, to a total of $100 million, and a two-year extension of the September 30, 1995, and March 31, 1996, limiting dates.

GOVERNMENTWIDE STAFFING REDUCTIONS

We are concerned about the effect on VA of proposals to make across-the-board cuts in government operations. The $75 million in funding for payrolls to employers under the Servicemembers Occupational Conversion and Training Act of 1992, for example, may not be paid on behalf of individuals who initially are not eligible for a program of job training after September 30, 1995, or for any such program that begins after March 31, 1996. Increased downsizing of the active-duty Armed Forces will require a $25-million increase in the authorization level, to a total of $100 million, and a two-year extension of the September 30, 1995, and March 31, 1996, limiting dates.

CONCLUSION

With the foregoing reservations, our Committee generally supports the broad outlines of what President Clinton has proposed with respect to the budget for veterans programs. Recognizing the pressing need to address the federal budget deficit, veterans are prepared to do their part in regaining control over our nation's financial well-being. However, we wish to ensure that the sacrifices that veterans are asked to make do not impair the government's ability to meet its obligations to the nation's veterans and their families. These views reflect the best judgment of the Committee on Veterans' Affairs as of this date. If we or the Committee staff can provide you in your consideration of this report, please feel free to call upon us.

Sincerely,

DENNIS DECONCINI
JOHN D. ROKEFEFFER IV
GEORGE J. MITCHELL
BOB GRAHAM

DANIEL K. AKAKA
THOMAS A. DASCHLE
BEN NIGHSTON

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. NUNN, Committee on Armed Services:

Maj. Gen. Albert J. Edmonda, USAF to be lieutenant general (Reference No. 45).
Maj. Eugene E. Habiba, USAF to be lieutenant general (Reference No. 46).

By Mr. CAMPBELL, USAF to be lieutenant general (Reference No. 47).

In the Air Force there is 1 appointment to be filled by and second time by unanimous consent.

By Mr. MYNINH, from the Committee on Finance:

Lawrence H. Summers, of the District of Columbia, to be an Under Secretary of the Treasury.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced:

S. 653. A bill to establish the James National Recreation Area in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

S. 646. A bill to provide for reappointment of the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN (for himself and Mr. DOMENICI):
S. 649. A bill to establish the James National Recreation Area in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

S. 649. A bill to provide the relief of Armando Taube Moreno; to the Committee on Judiciary.

S. 649. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing; to the Committee on Finance.

S. 665. A bill to establish within the Department of Energy an international fusion energy program, and for other purposes; to the Committee on Energy and Natural Resources.
CONGRESSIONAL RECORD—SENATE
JEMEZ NATIONAL RECREATION AREA

• Mr. BINGAMAN, Mr. President, I rise today on behalf of my colleague from New Mexico, Senator DOMENICI, and myself, to introduce a bill to authorize the establishment of the Jemez National Recreation Area in New Mexico. This national recreation area will be managed primarily to conserve, protect, and restore the recreational, cultural, archaeological, ecological, scenic, and wildlife resource values within this unique area of the Santa Fe National Forest. A plan for the national recreation area will be developed as an amendment to the Santa Fe National Forest Land and Resource Management plan to assure that this management emphasis will be carried out.

The Jemez National Recreation Area is approximately 57,000 acres in size. It is a place of volcanically formed mountains and basins, lands of mixed conifer and deciduous trees, small hidden ponds, and steep canyons ringed with brilliantly colored rimrocks. Within the area is the east fork of the Jemez River, 11 miles of which has been designated as a national wild and scenic river. The Jemez National Recreation Area will further insure the river’s beauty and recreational value. The area also holds an abundance of spectacular prehistoric sites.

This action will ensure for the future the interests of the over 300,000 visitors to the area each year. The Jemez Mountains area has long been valued for its recreational opportunities, the plentiful water and clean air, the numerous hot springs, the abundant wildlife, and just the sheer beauty of the place. People who visit again and again will be used more and more by the Forest Service to provide information for the planning of future timber sales with valuable information for the planning of future timber sales with adequate and administration may continue."
and fishing in the area will continue to be permitted; they are important both for subsistence and recreational activities.

Grazing may be permitted within the national recreation area in accordance with regulations; riparian areas will be managed to protect their important resource values.

Support for this bill is high; residents have been enthusiastic in their efforts to preserve the resources of the Jemez Mountains for future enjoyment. The Forest Service also supports the designation of a national recreation area in the general area proposed. Areas like the Jemez Mountains are in need of our protected commitment; they must be cherished for the benefit and enjoyment of present and future generations. The legislation I am introducing today will see that this necessary protection and conservation of the Jemez happens.

Mr. President, last Congress the Senate passed legislation virtually identical to the bill I am introducing today, but due to procedural problems it failed to pass the House in the final days of the 102d Congress. This year, the House has already held a markup on companion legislation introduced by Congressman Richardson, in whose district the Jemez NRA will be established. I hope that both Houses of Congress will move to speedily pass this legislation.

I ask unanimous consent that the text of the bill be placed in the RECORD.

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Jemez National Recreation Area Establishment Act".

SEC. 2. DEFINITIONS.

As used in this Act:

(A) RECREATION AREA.—The term "recreation area" means the Jemez National Recreation Area established by this Act.

(B) SECRETARY.—Except as otherwise provided in this Act, the term "Secretary" means the Secretary of Agriculture.

SEC. 3. ESTABLISHMENT OF JEMEZ NATIONAL RECREATION AREA.

(A) IN GENERAL.—To conserve, protect, and restore the recreational, ecological, cultural, religious, and wildlife resource values of the Jemez Mountains, there is established the Jemez National Recreation Area to be administered by the Secretary.

(B) AREA INCLUDED.—(1) The recreation area shall be comprised of approximately 57,000 acres of land and interests in land within the Santa Fe National Forest, as generally depicted on the map entitled "Jemez National Recreation Area—Proposed" and dated September 1992.

(2) MINOR REVISIONS.—The Secretary may from time to time and in consultation with local tribal leaders make minor revisions in the boundary of the recreation area to promote management effectiveness and efficiency in furtherance of this Act.

(c) MAP AND LEGAL DESCRIPTION.—(1) FILING.—As soon as is practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the recreation area with the Committees on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives.

(2) MAP AND LEGAL DESCRIPTION.—The map and legal description shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in the map and legal description.

(d) PUBLIC INSPECTION.—The map and legal description shall be placed in the official file and index of the public inspection in the Office of the Chief of the Forest Service of the Department of Agriculture.

SEC. 4. MANAGEMENT.

(a) IN GENERAL.—(1) The Secretary shall administer the recreation area—

(A) in accordance with this Act and the laws applicable to lands within the National Forest System; and

(B) in a manner that will further the purposes for which the recreation area is established.

(2) MANAGEMENT.—Management of the natural resources within the recreation area shall be permitted only to the extent that the management is compatible with and does not impair the purposes for which the recreation area is established.

(b) MAP AND DISPOSITION.—Permissible recreational activities within the recreation area shall include hiking, camping, hunting, fishing, skiing, backpacking, rock climbing, and swimming.

(c) MANAGEMENT PLAN.—(1) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, the Secretary shall develop a management plan for the recreation area as an amendment to the Santa Fe National Forest Land and Resource Management Plan. The management plan shall—

(A) reflect the establishment of the recreation area, including newly designated land within the recreation area and adjacent National Forest land; and

(B) conform to the requirements of this Act.

(d) CONGRESSIONAL INTENT.—Nothing in this Act is intended to affect timber harvesting in the recreation area for commercial purposes (including surfboards, latillas, and the gathering of fuelwood) and for purposes of public safety, administration, fish and wildlife management, or public use and enjoyment.

(e) TIMBER HARVESTING.—(1) IN GENERAL.—The Secretary may designate zones where, and establish periods when, hunting and fishing shall not be permitted for reasons of public safety, administration, fish and wildlife management, or public use and enjoyment.

(f) WILDLIFE RESOURCES.—In administering the recreation area, the Secretary shall—

(A) give particular emphasis to the preservation, stabilization, and protection of cultural resources located within the recreation area in furtherance of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.) and the National Historic Preservation Act (16 U.S.C. 470 et seq.); and

(B) permit hunting and fishing on lands and waters under the jurisdiction of the Secretary in accordance with applicable Federal and State law.

(g) CULTURAL RESOURCES.—In administering the recreation area, the Secretary shall—

(A) give particular emphasis to the preservation, stabilization, and protection of cultural resources located within the recreation area; and

(B) protect cultural resources from alteration or removal as authorized by the Secretary in accordance with applicable Federal and State law.

(h) TIMBER SALES UNDER CONTRACT.—Nothing in this Act is intended to affect timber sales under contract on the date of enactment of this Act.

(i) LOS GREIGOS TIMBER SALE.—(1) IN GENERAL.—The Secretary shall administer the Los Griegos timber sale in the Los Griegos Diversity Unit as authorized by the Secretary in accordance with the purposes of this Act.

(2) GRADUAL CLOSINGS.—In accordance with such joint resolution and upon request of the pueblo, the Secretary may from time to time temporarily close to public use one or more specific portions of the recreation area to protect the privacy of religious activities and cultural uses by Indian peoples. Any closure shall be made so as to affect the smallest practicable area for the minimum period necessary.
including the individual tree selection method.

(b) GRAZING.—The Secretary may permit grazing within the recreation area in accordance with regulations prescribed by the Secretary. Grazing shall be managed in such a manner as to protect their important resource values. (1) PREPARATION PLAN.—(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prepare a transportation plan that provides for efficient use of roads and trails in existence on the date of enactment of this Act to accomplish the purposes of this Act. The plan shall provide for a comprehensive trails system that permits dispersed recreation while minimizing the impact on significant archaeological and religious sites. (2) ROADS.—The Secretary shall construct, maintain, and close roads within the recreation area only in accordance with the plan prepared pursuant to paragraph (1). (3) RECREATIONAL FACILITIES.—The Secretary shall provide for recreational facilities within the recreation area. The facilities shall be constructed so as to minimize impacts on scenic beauty and the natural character of the recreation area. (4) VISITOR CENTER.—The Secretary shall establish a visitor center and interpretive facilities in or near the recreation area to provide for education relating to the interpretation of the cultural and natural resources of the recreation area. (5) POWER TRANSMISSION LINES.—In accordance with Federal and State law, the Secretary may permit a utility corridor for high power electric transmission lines if the Secretary determines that— (1) there is not a feasible alternative for the location of the corridor; (2) damage to the recreational and scenic quality of the recreation area will not be significant; (3) it is in the public interest that the corridor be located in the recreation area; and (4) a plan to minimize harm to the resources of the recreation area has been developed. (6) SCIENTIFIC INVESTIGATIONS.—The Secretary may permit scientific investigations within the recreation area if the Secretary determines that the investigations are in the public interest and are compatible with this Act. SEC. 5. ACQUISITION OF LAND. (a) IN GENERAL.—Land and interests in land within the boundaries of the recreation area that are owned by the State of New Mexico, or a political subdivision of New Mexico, may be acquired only by donation or exchange. (b) OFFERS TO SELL.—(1) IN GENERAL.—Subject to paragraph (2), the Secretary may acquire land and interests in land within the boundaries of the recreation area by donation, purchase with donated funds, or exchange. (2) LIMITATION.—No land or interest in land may be added to the recreation area after the date of enactment of this Act without specific authorization by Congress and the consent of the owner of the interest or land. SEC. 6. MINERALS AND MINING. (a) APPLICATION ON PATENT ISSUANCE.—(1) IN GENERAL.—Notwithstanding any other provision of law, no patents shall be issued after May 30, 1991, for a location or claim on any public land within the boundaries of the United States. (2) CLAIMS FOR PROPERTY RIGHTS.—Notwithstanding any statute of limitations or similar restriction otherwise applicable, and later than 2 years after enactment of this Act, a party claiming to have been deprived of a property right by the enactment of paragraph (1) may file in the United States District Court a claim against the United States seeking compensation for deprivation of the property right. The United States Claims Court shall have jurisdiction to render a judgment in accordance with section 1491 of title 28, United States Code. (b) WITHDRAWAL.—Subject to valid existing rights, land within the recreation area are withdrawn from location under general mining laws and from the operation of the mineral leasing, geothermal leasing, and mineral material disposal laws. (c) RECLAMATION.—No mining activity involving any surface disturbance of lands or any underwater disturbance through subsidence) shall be permitted except in accordance with requirements imposed by the Secretary, including permits for reasonable reclamation of disturbed lands to a visual and hydrological condition as close as practicable to their premining condition. (d) MINERAL MATERIAL DISPOSAL LAWS.— (1) EXAMINATION OF CLAIMS.—Not later than 3 years after the date of enactment of this Act, the Secretary shall undertake and complete an expedited program to examine all unpatented mining claims located within the recreation area, including those claims for which a patent application has been filed. (2) DETERMINATION OF VALIDITY.—If the Secretary determines that the elements of a contest are present, the Secretary shall examine the claim to determine the validity of the claims. If a claim is determined to be invalid, the Secretary shall promptly declare the claim to be null and void. (e) USE OF MINERAL MATERIALS.—The Secretary may use mineral materials from within the recreation area for public purposes (including the maintenance of roads, trails, and facilities) if the use is compatible with the purposes of the recreation area. SEC. 7. MINING LANDS. The Secretary may evaluate lands adjoining the recreation area for possible inclusion in the recreation area and make recommendations to Congress. Lands evaluated may include the authority for study by section 5 of the Baca Location No. 1 Land Acquisition and Study Act. SEC. 8. AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated such sums as are necessary to carry out this Act. Mr. DOMENICI. Mr. President, I am pleased to rise today to cosponsor this legislation, which is sponsored by the other Senator from New Mexico, Senator BINGAMAN, and which has a companion bill that has been introduced in the House of Representatives by Congressman RICHARDSON. During the 102d Congress, this language was passed by the Senate with similar legislation passed by the House of Representatives. This legislation will assure that some of the most natural state and Federal values of the Nation which have been appreciated for so long by native New Mexicans and visitors to New Mexico, will continue to be accessible and available for all Americans through the establishment of the Jemez National Recreation Area. This legislation addresses the concerns and is supported by State and local land owners, Jemez Pueblo, other native Americans, and the New Mexico environmental community. With fewer than 20 national recreation areas within the entire country, a national recreation area designation represents the best of the best of all other national resources. The approximately 57,000 acres included within the proposed Jemez National Recreation Area deserves to be included as one of the best. Designation of the Jemez National Recreation Area would provide present and future Americans enjoyment, particularly those seeking outdoor recreational opportunities in an area that the public has long recognized for its premier values. The Jemez Mountains located in northern New Mexico have long provided spectacular beauty and a site for native American habitation. The area is within 30 miles commuting distance from major population centers whose major industry is tourism, an industry which is experiencing tremendous increases. Recreation activity related to overnight camping and day uses are intensifying. Within the past decade, vehicle use along State Highway 4 which passes through the area has increased by more than 220,000 vehicles. This kind of dramatic increase is also occurring for other uses, like hiking, picnicking, bicycling, and fishing in the summer, elk and deer hunting in the fall, and snowmobiling in the winter. Few areas offer the abundance of natural beauty and cultural heritage of the Jemez Mountains. The Jemez Mountain area offers exceptional landscapes accented with the signs of human existence. The area is but a short drive to the Bandelier National Monument, an area that has shared the rich history of native American life and settlement. The Jemez National Recreation Area designation will complement the special management of rare natural resources. The Jemez National Recreation Area is an important habitat for species on State or Federal listed endangered or threatened species, like the peregrine falcon, the goshawk, the meadow jumping mouse, the Jemez salamander, the Mexican spotted owl, and the wood lily. The East Fork of the Jemez River, which has been designated as a national wild and scenic river, will also be complemented by a corresponding national recreation area designation. Mr. President, I urge the Senate to move quickly on this important legislation, to authorize the Jemez National Recreation Area to ensure that the area is properly managed and its recreational, ecological, cultural, religious and wildlife resource values are conserved, and protected.
The Department of Energy now spends close to $350 million annually on its fusion research program, most of which is focused on magnetic fusion. A significantly smaller part of the program is focused on inertial confinement fusion. Inertial confinement fusion has been developed largely through the defense programs part of the Department of Energy, with a very small portion funded by the energy research program.

The Department’s magnetic fusion research focuses on the use of strong magnetic fields to confine an extremely hot gas which undergoes fusion and produces heat. The physics of fusion, the energy process that powers our sun, is well understood. How to contain and harness that energy is not. Great strides have been made in the magnetic fusion program over the past several years. But there has also been significant restructuring of this program as it has become clear that Federal expenditures for research will be increasingly scarce. As a result, progress on this program has been difficult to measure.

Congress needs to make basic decisions about the fusion program. We must develop reasonable and near-term goals against which we will be able to measure progress. And we must work more closely with the international community toward those goals. We must streamline this program so that it is clearly focused on achievement of the next major milestone in magnetic fusion—the international thermonuclear experimental reactor, also known as ITER.

The legislation I am introducing today would do just that. It would direct the Secretary of Energy to focus the Department’s magnetic fusion energy program on the development of ITER with the ultimate goal of developing a fusion reactor.

Last year, the United States entered into an agreement with Japan, Russia, and the European Community to design ITER. The agreement provides for completion of the design by 1996, with the cost of design activities borne equally by the four countries. The agreement addresses only the design phase of ITER, however, and any further agreement on the sitting or construction of ITER has yet to be negotiated. If a decision is made to go ahead with sitting and construction, it is anticipated that construction of ITER would take 7 years from the time of site selection.

ITER is expected to embody most of the features of a fusion powerplant. ITER is being designed to produce 1,000 megawatts of energy, which is about half of that produced by an average-sized conventional electric power plant. The purpose of ITER is to demonstrate the scientific and technical feasibility of magnetic fusion energy and to prove that a sustained fusion reaction can be maintained at an energy level sufficient to generate electricity in commercial quantities. Today, we can produce a fusion reaction for only a second or two. We need to know what materials and components will be needed in a fusion demonstration reactor.

Once ITER proves that a sustained reaction can be achieved, we can determine what materials will be needed for a fusion reactor, an actual demonstration fusion reactor can be built. It is my expectation that ITER will resolve these issues sufficiently so we will be able to move forward to a demonstration reactor. But I also believe that we should not continue to spend substantial amounts of money studying the engineering problems associated with fusion if we cannot reach an agreement with the international community to develop ITER or if we decide ITER will not lead to a fusion demonstration reactor.

The United States has spent billions of dollars trying to make fusion energy a practical and commercial reality. It is time to focus our efforts on developing the international fusion research program of fusion through our participation in ITER. And our existing programs must be restructured accordingly to support that effort. While some level of basic research in fusion would still be appropriate in the absence of ITER, it would not be appropriate to continue the level of effort of today. Therefore, the bill directs the Secretary to reduce the magnetic fusion energy program to a basic energy program in the event it becomes apparent that we cannot or should not proceed with ITER.

We are at a critical juncture for the magnetic fusion program. It is time for the United States to make a commitment to ITER and to work with the international community to complete this project. The Secretary of Energy must be given authority to negotiate with the other countries involved in the ITER project. The bill provides the Secretary with such authority.

To develop ITER we need to plan to tell us how to get there. The bill would direct the Secretary to develop such a plan identifying the budget, critical path, milestones, and schedules for ITER. While other countries such as Japan have already selected a candidate host site for ITER, the United States has yet to begin a candidate selection process. If we want to compete to host ITER here in the United States, we need to start that process today.

With the international community, we will also need to select a final host site as soon as possible so that construction can begin when the design is complete. To get this process moving along, the bill requires the Secretary to find a candidate host site within the United States for ITER and to identify the steps necessary for section of a final host site by the international community.
ITER will tell us whether fusion is the energy of the 21st century. The ITER design effort is well underway, and I am pleased that the United States is an active participant in that effort. But we must also be ready to take the next step to see this project to fruition. We are at a point that our magnetic fusion program must be focused entirely on ITER, and we must develop a plan to tell us how to get there. The ITER host site is here in the United States or abroad, so we can begin construction of ITER. The bill I am introducing today will commit the United States to such a process.

Mr. President, I ask unanimous consent that the text of the bill appear in the Congressional Record following my statement.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 616
Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE.
This Act may be cited as the "International Fusion Energy Act of 1993".

SEC. 2. FINDINGS, PURPOSES AND DEFINITIONS.
(a) FINDINGS.—Congress finds that—
(1) fusion energy has the potential to be safe, environmentally attractive, secure and economically affordable source of energy;
(2) the United States Department of Energy's magnetic fusion energy program has made significant progress toward realizing fusion as a viable source of energy;
(3) other industrial nations have also invested in significant magnetic fusion energy programs;
(4) an integrated program of international collaboration will be necessary for continued progress to demonstrate the scientific and technological feasibility of magnetic fusion energy;
(5) there is an international agreement to proceed with the engineering, design and construction of the International Thermonuclear Experimental Reactor to prove the scientific and technical feasibility of fusion energy and to lead to a demonstration fusion reactor;
(6) the United States should focus the Department of Energy's magnetic fusion energy program on the International Thermonuclear Experimental Reactor to prove the scientific and technical feasibility of fusion energy and to lead to a demonstration fusion reactor;
(7) the continuation of an aggressive fusion energy program requires the Department of Energy, industry, utilities, and the international fusion community to commit to the International Thermonuclear Experimental Reactor as soon as practicable; and
(8) an effective U.S. fusion energy program requires substantial involvement by industry and utilities in the design, construction, and operation of fusion facilities.
(b) PURPOSES.—The purposes of this Act are to—
(1) redirect and refocus the Department's magnetic fusion energy program in a way that will lead to the design, construction and operation of the International Thermonuclear Experimental Reactor by 2005, in cooperation with other countries, and operation of a fusion demonstration reactor by 2025;
(2) develop a plan identifying the budget, critical path, milestones and schedules for the International Thermonuclear Experimental Reactor;
(3) eliminate from the Department of Energy's magnetic fusion energy program the elements that do not directly support the development of the International Thermonuclear Experimental Reactor or the development of a fusion demonstration reactor;
(4) select a candidate host site within the United States for the International Thermonuclear Experimental Reactor and to identify the steps necessary to lead to the selection of the final host site by the international community.
(c) DEFINITIONS.—(1) "Department" means the United States Department of Energy;
(2) "ITER" means the International Thermonuclear Experimental Reactor; and
(3) "Secretary" means the Secretary of the United States Department of Energy.

SEC. 3. INTERNATIONAL FUSION ENERGY PROGRAM.
(a) PROGRAM.—The Secretary shall redirect and refocus the Department's magnetic fusion energy program in a way that will lead to the design, construction and operation of ITER by 2005 and operation of a fusion demonstration reactor by 2025. The Department's magnetic fusion energy program shall be restructured to be consistent with the ITER program and shall be carried out in cooperation with the international community.

(b) REQUIREMENTS.—In developing the ITER program, the Secretary shall—
(1) establish as the main focus of the Department's magnetic fusion energy program the development of ITER;
(2) provide for the development of fusion materials and other reactor components to the extent necessary for the development of a fusion demonstration reactor;
(3) eliminate those components of the magnetic fusion energy program not contributing directly to development of ITER or to the development of a fusion demonstration reactor;
(4) select a candidate host site within the United States for the International Thermonuclear Experimental Reactor;
(5) assess the likelihood of reaching agreements with other countries to share in the cost of the facilities and components of the ITER program that contribute to the design, construction or operation of ITER or to the development of a fusion demonstration reactor;
(6) set forth any recommendations of the Secretary on—
(1) the need for additional legislation or for ITER program funds;
(2) the possibility and desirability of accelerating the design and construction of ITER or the development of a demonstration fusion reactor;
(3) the need for substantial industry and utility involvement in the design, construction and operation of ITER;
(7) provide for the elimination of those components of the Department's magnetic fusion energy program not contributing directly to the development of ITER or to the development of a fusion demonstration reactor;
(8) the continuation of an aggressive fusion energy program requires the Department of Energy, industry, utilities, and the international fusion community to commit to the International Thermonuclear Experimental Reactor as soon as practicable; and
(9) the United States should focus the Department of Energy's magnetic fusion energy program on the International Thermonuclear Experimental Reactor to prove the scientific and technical feasibility of fusion energy and to lead to a demonstration fusion reactor;
(10) the continuation of an aggressive fusion energy program requires the Department of Energy, industry, utilities, and the international fusion community to commit to the International Thermonuclear Experimental Reactor as soon as practicable; and
(11) an effective U.S. fusion energy program requires substantial involvement by industry and utilities in the design, construction, and operation of fusion facilities.
(b) PURPOSES.—The purposes of this Act are to—
(1) redirect and refocus the Department's magnetic fusion energy program in a way that will lead to the design, construction and operation of the International Thermonuclear Experimental Reactor by 2005, in cooperation with other countries, and operation of a fusion demonstration reactor by 2025;
(2) develop a plan identifying the budget, critical path, milestones and schedules for the International Thermonuclear Experimental Reactor;
(3) eliminate from the Department of Energy's magnetic fusion energy program the elements that do not directly support the development of the International Thermonuclear Experimental Reactor or the development of a fusion demonstration reactor;
(g) TERMINATION.-(1) The Secretary shall report to Congress if the Secretary determines that ITER is no longer essential to the development of a fusion demonstration reactor; and such report shall be made not later than 30 days after the date on which the Secretary determines that such reactor shall be reached on the final host site for ITER.

(2) No agreement can be reached on the final design of ITER or on issues related to construction of ITER.

(3) There is an insufficient commitment to the final ITER design by U.S. industry and utilities.

(b) APPROPRIATIONS.- (1) There is authorized to be appropriated to the Secretary, to be obligated by the Secretary, and to remain available until expended, for the fiscal year ending September 30, 1996, or until otherwise provided by law, $350,000,000, to carry out the purposes of this Act.

(2) The Secretary may make such regulations and procedures as may be necessary for the purposes of this Section.

Secretary of Energy.

(3) In the event the Secretary terminates the ITER program, the Secretary may continue to carry out research in magnetic fusion, but only at the levels authorized in Section 2(b)(2).

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) LIMITATION ON APPROPRIATIONS.—No more funds may be appropriated to carry out the purposes of this Act than the amounts set forth in subsection (b). This Act shall be the exclusive source of authorization of appropriations to support any activities of the Secretary relating to magnetic fusion energy.

(b) APPROPRIATIONS.—(1) There is authorized to be appropriated to the Secretary for carrying out the purposes of this Act $350,000,000 for fiscal year 1994, $350,000,000 for fiscal year 1995, $350,000,000 for fiscal year 1996, and such sums as may be necessary thereafter.

(2) In the event the Secretary terminates the ITER program, there is authorized to be appropriated to the Secretary $50,000,000 for 1994, $50,000,000 for 1995 and $50,000,000 for 1996 for activities relating to magnetic fusion energy.

By Mr. WARNER (for himself and Mr. DECONCINI): S. 647. A bill to assist in the effective management of the civilian work force of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION INCENTIVE ACT

Mr. WARNER. Mr. President, today I am introducing the Central Intelligence Agency Voluntary Separation Incentive Act (S. 647). The legislation will provide some protection to CIA careerists as the CIA draws down its personnel levels in the coming months and years. It authorizes the Director of Central Intelligence to offer financial incentives to CIA personnel to resign or retire voluntarily—that is, on their own initiative. By offering financial incentives for voluntary departures, CIA expects to be able to minimize or eliminate layoffs and provide the voluntary separation incentive to CIA involuntary dismiss employees. The legislation will accomplish four important objectives.

First, it will assist the CIA in managing the drawdown so that the resulting work force has the right mix of skills and experience to conduct CIA's mission effectively in the future.

Second, the bill will help ensure fair treatment of CIA personnel. CIA employees—and in particular those with clandestine duties—have served their country with distinction, often at great personal sacrifice and smoke. The CIA must continue to treat them with faith, especially if we are to continue to get people of the same high quality and dedication to serve in the CIA in the future.

Third, the legislation will save taxpayers' dollars. By offering now a financial incentive to an employee to leave CIA service voluntarily, CIA will not incur greater costs in the outyears.

Finally, the legislation will contribute to maintaining the proper secrecy of U.S. intelligence activities.

Federal law already grants the Secretary of Defense authority to provide similar incentives for voluntary separation to Department of Defense employees, to assist in downsizing that department. Thus, intelligence personnel employed by the Department of Defense already are covered by a voluntary separation incentive statute. Enactment of the bill I am introducing today will provide similar authority to voluntary separation incentives for CIA employees.

Senator DECONCINI, who chairs the Select Committee on Intelligence on which I serve as vice chairman, has co-sponsored important legislation to assist CIA employees. With bipartisan support for the legislation, I hope that the Congress can enact it promptly.

The legislation is essential to enable us to protect the interests of CIA employees as CIA carries out the planned prudent reductions in the size of its work force.

Mr. President, I ask unanimous consent that the section-by-section explanation of the legislation be printed in the RECORD at this point. There being no objection, the material was ordered to be printed in the RECORD as follows:

SECTION-BY-SECTION EXPLANATION

The Central Intelligence Agency Voluntary Separation Incentive Act will assist the Director of Central Intelligence to manage the drawdown of the CIA work force effectively and with fairness to the employees involved. The legislation will allow the Central Intelligence Agency to offer limited financial incentives to CIA employees to volunteer to resign or retire, thereby minimizing the need for involuntary separations. The legislation is not subject to judicial review. The legislation will authorize the Director to offer financial incentives to CIA employees to volunteer to resign or retire. The legislation will not, however, provide an employee with the right to resign or retire. The legislation will not provide an employee with the right to resign or retire. The legislation will not provide an employee with the right to resign or retire. The legislation will not provide an employee with the right to resign or retire. The legislation will not provide an employee with the right to resign or retire.
March 24, 1993

CONGRESSIONAL RECORD—SENATE

By Mr. RIEGLE (for himself, Mr. MITCHELL, Mr. PRIOR, Mr. COHEN, Mr. KENNEDY, Mr. SIMON, Mr. LEAHY, Mr. JOHNSTON, Mr. SARBANES, and Mr. WOFFORD):

S. 649. A bill to ensure proper and full implementation by the Department of Health and Human Services of medicare coverage for certain low-income medicare beneficiaries; to the Committee on Finance.

MEDICAID ENROLLMENT IMPROVEMENT AND PROTECTION ACT OF 1993

Mr. RIEGLE. Mr. President, last Congress I introduced S. 2814, the Medicare Enrollment Improvement and Protection Act of 1992 to solve the problems that keep low-income seniors and disabled citizens from receiving financial assistance with their out-of-pocket medicare costs through the Qualified Medicare Beneficiary (QMB) Program. Today, I introduce the Medicaid Enrollment Improvement and Protection Act of 1993. This legislation was to be implemented by the Department of Health and Human Services (HHS) and the State's beginning in 1989. For the 2.5 million seniors who are enrolled in this program, the QMB Program has meant a significant reduction in out-of-pocket expenses for medicare coverage. These expenses include a deductible for hospitalization—$767—premiums for part B coverage—$36.60 deducted from Social Security check each month—a deductible for part B services—$100 a year—and a 20 percent copayment for most part B services. Without the QMB benefit, these seniors could face direct costs of over $1,100 a year if they are hospitalized just once, and that doesn't include copayments and deductibles for physicians' services.

Today, Families U.S.A. released a report which indicates that 1.8 million medicare beneficiaries are not receiving the QMB benefits to which they are entitled because they do know they are eligible or face other barriers that make it difficult to apply for the benefits. Furthermore, as of January 1, 1993, almost 1 million more individuals became newly eligible for limited help with their medicare cost-sharing. Specified low-income medicare beneficiaries [SLMB] receive financial assistance for their part B premiums, which cost $36.60 per month—$439 per year.

In Michigan, over 94,000 individuals are eligible for QMB or SLMB benefits and are not receiving them today. To illustrate the barriers people encounter in applying for this benefit, let me tell you the story of Jeanette Moyer of Constantine, MI, who tried to receive the QMB benefit from a story in the Kalamazoo Gazette. She called several Government offices to find out more about the program and to apply for her mother but most of them did not have the information. When she finally got through and received the application it was 27 pages long and very confusing. Jeanette started the process in October and finally her mother received coverage in January 1992. Her mother had been purchasing a private Medigap supplemental policy through AARP, even though her income was less than $6,700 a year and her assets were less than $4,000, and she clearly qualified for the program. With this new benefit she was able to cancel the policy.

I was among those who worked to preserve this benefit when the Medicare Catastrophic Coverage Act of 1988 was repealed. Since then, based on reports from national advocacy groups and Michigan citizens, I have initiated congressional letters to the Secretary of HHS, Dr. Louis Sullivan, pointing...
out problems of implementation and urging administrative changes and more outreach. Most recently, I have corresponded with Secretary Shalala, who has indicated a willingness to work on this issue. The legislation I am proposing today outlines specific actions we can take to solve this problem once and for all.

This legislation improves the process of enrolling people in the QMB Program by directing Secretary Shalala to develop a system to accept QMB and SLMB applications at Social Security offices and by mail. To increase awareness of the program, the legislation strengthens information and notification programs and provides grants for outreach to a variety of organizations. To remove the current hassles in the system, the legislation directs the Secretary to develop a simplified application form for QMB and SLMB benefits for use in Social Security offices and through the mail.

In Michigan, Blue Cross/Blue Shield received a grant from the Health Care Financing Administration to conduct outreach to the elderly. They are working with the Michigan Office of Services to the Aging to train providers and advocates on the QMB and SLMB benefits. These individuals will take the information back to their communities, where they can implement an outreach program to reach low-income beneficiaries. My legislation would provide funds for outreach programs like this.

Mr. President, low-income seniors and disabled individuals, especially those with serious medical problems, have a hard time meeting the basic needs, such as food and rent. Congress intended to relieve some of their financial burden by alleviating their costs under Medicare. It's time we ensure they receive this relief. I urge more of my colleagues to join me in supporting this bill.

I ask unanimous consent that a summary of the text of the bill be printed in the Record.

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

S. 649

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 "Medicare Enrollment Improvement and Protection Act of 1992".

TITLE I—IMPROVING ENROLLMENT

SEC. 101. NOTIFICATION.
(a) IN GENERAL.—Section 1904 of the Social Security Act (42 U.S.C. 1396b-3) is amended—
(1) by striking "and" at the end of paragraph (2),
(2) by striking the period at the end of subsection (b) at Social Security Administration offices (and any other Federal office, as determined appropriate by the Secretary), and to accept by mail or in person such application form at such offices. The Secretary shall ensure that adequate resources are available to implement the procedure developed under this subsection.
(b) SIMPLIFIED APPLICATION FORMS.—The Secretary shall develop a short, simplified application form to determine if an individual meets the requirements for status as a qualified Medicare beneficiary under section 1905(p)(1), a qualified disabled and working individual (as defined in section 1905(a)(10)(a)), or an individual described in section 1902(a)(10)(E)(iii). The form shall be developed with the consultation of consumer advocates and State agencies and shall be available in offices described in subsection (a)(2) at Social Security Administration offices and any other Federal office, as determined by the Secretary, and to accept by mail or in person such application form at such offices. The Secretary shall periodically (at such times as determined by the Secretary) mail the forms described in subsection (b) to individuals potentially entitled to such status described in such subsection, and shall provide such forms to counselors or organizations described in section 1010 of the Medicare Enrollment Improvement and Protection Act of 1992 for use in determining an individual's eligibility.
(c) SUBMISSION OF FORMS.—Except as provided in subsection (e), the Secretary shall permit applications described in section 1904(b)(1) and subsection (b) which are received by the Secretary to the appropriate State agency designated under this title for review and decision.
(d) CERTIFICATION OF DETERMINATION OF STATUS.—
(1) CERTIFICATION TO STATE.—If the Secretary certifies to the State that an individual meets the requirements for such status, the individual shall be deemed to have met the requirements for such status.
(2) STATE RECOGNITION OF ELIGIBILITY.—If the Secretary certifies to the State that an individual meets the requirements for such status, the individual shall be deemed to have met the requirements for such status.
(3) CONTINUING ELIGIBILITY REQUIRED.—Nothing in paragraph (2) shall be construed to prohibit a State from requiring an individual to continue to meet the requirements of such status after the individual is deemed to have met the requirements of such status.

SEC. 102. USE OF ADMINISTRATION OFFICES AND SIMPLIFIED APPLICATION PROCESSES.
(a) IN GENERAL.—The Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end thereof the following new section:
"ALTERTATIVE LOCATIONS FOR PROCESSING APPLICATIONS FOR QUALIFIED MEDICARE BENEFICIARIES.
"SEC. 1921. (a) IN GENERAL.—The Secretary, through the Social Security Administration, shall provide, as an alternative to the procedures established by State agencies under this title, a procedure (including appropriate training of personnel by the Health Care Financing Administration) to assist individuals in completing applications for coverage (as described in section 1902(a)(10)(E)(iii)) through the mail. The Secretary may be made available for outreach to provide services to individuals age 65 or older.
(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 103. MANDATORY DIRECT ENROLLMENT OF PART A ELIGIBLES.
(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by striking "shall, at the request of a State made after 1989, enter into a modification of an agreement entered into with the State pursuant to section 1843(a)" and inserting "shall enter into an agreement with each State under terms described in section 1843".
(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 104. OPTIONAL PRESUMPTIVE ELIGIBILITY.
(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by inserting after section 1920 the following new section:
"PRESUMPTIVE ELIGIBILITY FOR QUALIFIED MEDICARE BENEFICIARIES.
"SEC. 1920A. (a) IN GENERAL.—A State plan approved under section 1902 may provide that during a presumptive eligibility period, the Secretary may be made available for outreach to provide services to individuals age 65 or older.
"(b) ADDITIONAL USES OF FORMS.—The Secretary shall periodically (at such times as determined by the Secretary) mail the forms described in subsection (a) to individuals potentially entitled to such status described in such subsection, and shall provide such forms to counselors of organizations described in section 1010 of the Medicare Enrollment Improvement and Protection Act of 1992 for use in determining an individual's eligibility.
(A) is eligible for payments under a State plan for medical assistance as defined in subsection (a) under the State plan, and
(B) is determined by the State agency to be capable of making determinations of the type described in paragraph (2).

(3) Duties of State agency.—The State agency shall provide qualified providers with—
(A) such forms as are necessary for an individual to make application for medical assistance described in subsection (a) under the State plan, and
(B) information on how to assist such individuals in completing and filing such forms.

(2) Duties of qualified providers.—A qualified provider or organization that determines under subparagraph (B)(i) that an individual is presumptively eligible for such medical assistance under a State plan shall—
(A) inform the individual at the time the determination is made, and
(B) submit a plan for providing information, counseling, and assistance program to agencies and departments of the State government and the staff of the in formation, counseling, and assistance program; and
(C) provide for the coordination of the exchange of enrollment information between the staff of departments and agencies of the State government and the staff of the information, counseling, and assistance program; and
(D) make recommendations concerning continuance of such program by agencies and departments of the State government and the Federal Government.

(4) Duties of approved organization, agency, or organization.—The approved organization, agency, or organization shall—
(A) establish or improve upon an information, counseling, and assistance program to provide services to the elderly with respect to enrollment in and full implementation of the hospital insurance program, the Federal Supplementary Medical Insurance program, and the special supplemental security income program, and the Medicare program; and
(B) provide for a sufficient number of staff positions (including volunteer positions) necessary to provide the services of the information, counseling, and assistance program; and
(C) provide for the coordination of the exchange of enrollment information between the agency or organization and agencies and departments of the State government; and
(D) make recommendations concerning continuance of such program by agencies and departments of the State government and the Federal Government.

(5) Duties of approved organization, agency, or organization.—The approved organization, agency, or organization shall—
(A) establish or improve upon an information, counseling, and assistance program to provide the services of the information, counseling, and assistance program; and
(B) provide for the coordination of the exchange of enrollment information between the agency or organization and agencies and departments of the State government; and
(C) provide for the coordination of the exchange of enrollment information between the agency or organization and agencies and departments of the State government; and
(D) make recommendations concerning continuance of such program by agencies and departments of the State government and the Federal Government.

(6) Duties of approved organization, agency, or organization.—The approved organization, agency, or organization shall—
(A) establish or improve upon an information, counseling, and assistance program to provide services to the elderly with respect to enrollment in and full implementation of the hospital insurance program, the Federal Supplementary Medical Insurance program, and the special supplemental security income program, and the Medicare program; and
(B) provide for a sufficient number of staff positions (including volunteer positions) necessary to provide the services of the information, counseling, and assistance program; and
(C) provide for the coordination of the exchange of enrollment information between the agency or organization and agencies and departments of the State government; and
(D) make recommendations concerning continuance of such program by agencies and departments of the State government and the Federal Government.
State may provide for such determinations not more frequently than once every 6 months for an individual.

**Effective Date.**—The amendments made by this section shall apply with respect to applications filed after December 31, 1993.

### TITLE III—REPORT

**SEC. 301. REPORT BY SECRETARY.**

The Secretary of Health and Human Services shall report to the Congress not later than 12 months after the date of enactment of this Act on the activities of the Department of Health and Human Services to ensure enrollment and full implementation of the benefits described in section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396(a)(10)(E)) and the effectiveness of each such activity. Such report shall also include any recommendations regarding any proposed legislation necessary to further improve such enrollment and implementation.

**SUMMARY OF MEDICARE ENROLLMENT IMPROVEMENT AND PROTECTION ACT OF 1993**

**PURPOSE**

To ensure full and proper implementation of Medicare coverage for certain low-income Medicare beneficiaries by the Department of Health and Human Services (HHS).

**SECTION I—IMPROVING ENROLLMENT**

Background: While slightly more than half of those eligible for QMB benefits are receiving them due to lack of information and other barriers to gaining access to the program (42 U.S.C. 1396(a)(10)(E), Medicare beneficiaries with incomes between 100% and 115% of poverty may be newly-eligible for some buy-in benefits. Certain providers would be allowed to apply for the Qualified Medicare Beneficiaries (QMB) and the Special Low-Income Medicare Beneficiaries (SLMB) program.

(1) **Notification**

Legislative Proposal: Require the Secretary of HHS to notify all new Medicare beneficiaries of the QMB/SLMB benefits at the time they apply for Medicare participation.

In all cases, the Secretary shall mail information about the QMB and SLMB benefits to Medicare beneficiaries. In informing potential Medicare beneficiaries, the information shall include the buy-in eligibility criteria, how to get additional information, and how to apply for the benefits. The information shall be written in English, as well as in other languages determined by the Secretary.

The Secretary shall also supply notices for posting to provider offices and to community agencies serving the low-income elderly and persons with disabilities.

(2) **Toll-free hotline**

Background: Medicare beneficiaries are currently confused as to where to go to get information on the QMB/SLMB benefits and how to complete applications. They are not sure if they should go to Social Security or welfare offices and get mixed information about who is ultimately responsible for the QMB/SLMB program.

**Legislative proposal: Establish a toll-free phone line to give beneficiaries answering to the hotline regardless of the nature of their specific inquiry. All notices about the buy-in benefit are required to include this toll-free number.**

**(3) Use of information from administration offices and development of a simplified application form**

Legislative Proposal: Require Social Security offices to take QMB and SLMB applicants, so beneficiaries have the option to apply for these benefits at sites other than local welfare offices. The Secretary shall develop a plan to implement the process and to ensure accuracy is provided (e.g., for tracking and reporting). The Secretary shall also implement a plan to develop a simplified application form, with the consultation of consumer advocates and states, for use in Social Security offices.

(4) **Outreach**

Legislative Proposal: Provide grants totaling $30 million annually to agencies to provide information, counseling, and assistance with problems related to QMB/SLMB enrollment for low-income Medicare beneficiaries. One half of the appropriated grant funds would be available for states and state agencies; the other half would be available for community-based agencies with wide community support. Funds could be used for such as awareness campaigns and one-on-one counseling by these organizations.

(5) **Direct enrollment of Part A eligible**

**Background:** HCFA can identify individuals eligible for Medicare hospital coverage (Part A) due to their lack of contributions to the Hospital Insurance Trust Fund. The Medicare benefit was extended Medicaid coverage of the Part A premium to these individuals. Over 30 states currently automatically enroll these individuals in Part A and QMB through Part-A buy-in agreements with the Secretary. The remaining states require these individuals to first apply for QMB benefits, before their Part A premium will be paid. Since enrollment in Part A is required for QMB benefits, these beneficiaries must first pay the Part A premium to qualify. This legislation will modify HCFA limits enrollment of QMB eligibles in Medicare Part A to the first three months of a year.

**Legislative Proposal:** The Secretary shall be required to establish Part-A buyin agreements with all the States to enroll these individuals automatically and to bill states for the premiums. The Social Security Act shall be amended to permit Part A enrollment throughout the year, rather than only in the first three months.

(6) **Optional presumptive eligibility**

**Background:** Currently, states have the option of establishing presumptive eligibility for low-income pregnant women. Providers may make a preliminary determination that a woman seeking treatment is eligible for Medicaid and the state is obligated to cover pregnancy-related services provided for a certain time period or until the state completes an eligibility review, whichever is earlier. The individual may apply for Medicaid after the month following the month in which presumptive eligibility was established, and is guaranteed coverage to that date.

**Legislative Proposal:** Allow states to extend presumptive eligibility to potential QMB eligibles. Certain providers would be authorized to establish presumptive eligibility for beneficiaries based on information from the state.

### SECTION II—APPLICATION OF OTHER MEDICARE ELIGIBILITY RULES

**Background:** For most individuals eligible for Medicaid, the date of eligibility for benefits is based on the date of application. If an individual files an application for Medicaid in a given month, but the state does not make its eligibility determination until several months later, the individual will be eligible only in the month after the state made the determination. The legislation will require that eligibility is determined in the time from filing application until determination, they may incur cost-sharing expenses for hospital care other benefits.

**Legislative Proposal:** Make QMBs eligible for cost-sharing for 3 months prior to the date of application for those benefits, if they met the eligibility requirements during that time.

### SECTION III—REPORT TO CONGRESS

Require Secretary Shalala to report to Congress, no later than 12 months after enactment, on Administration’s activities to ensure enrollment and full implementation of the QMB and SLMB benefits and on the effect of a program that would protect all elderly and disabled individuals whose incomes are at the poverty line from the increasing costs of Medicare deductibles, copayments, and premiums. More than 5 years after enactment, however, 47 states reported that beneficiaries are not informed or face access barriers to receiving the benefits to which they are entitled. Today, over 2 million beneficiaries are still unaware of the program and their eligibility status. As a result, low-income elderly and disabled persons may be paying over $1,100 a year unnecessarily if they are hospitalized only once.

Repeated efforts by Members of Congress to resolve this problem administratively have been less than successful. In June 1991, I joined with nine other members of the Finance Committee to urge that Medicaid beneficiaries be allowed to apply for the Qualified Medicare Beneficiary Program at Social Security offices, rather than requiring them to make a second trip to welfare offices. These efforts and our
March 24, 1993

CONGRESSIONAL RECORD—SENATE 6247

urgent suggestions for comprehensive outreach programs have not resulted in significant results.

This bill requires Social Security offices to develop a simplified application and to assist all new Medicare beneficiaries to apply without a second trip to a local welfare office.

This legislation will also require the Department of Health and Human Services to simplify and initiate more effective enrollment procedures. This act will assure more effective notification including public awareness and outreach grants to community organizations.

In my home State of Maine, the area agencies on aging successfully conducted a 1981 statewide outreach to eligible qualified Medicare beneficiaries. As a result, Maine's rate of enrollment of eligible beneficiaries is significantly better than the national average.

These efforts must be continued and stepped up to ensure full awareness and overcome barriers to enrollment.

The Medicare Enrollment Improvement and Protection Act of 1993 will provide the legal means to ensure the full implementation of a program to assist low-income Medicare beneficiaries with out-of-pocket costs—just as Congress intended almost 6 years ago. This bill is supported by many organizations including the National Association of Area Agencies on Aging and the National Council of Senior Citizens.

I commend Senator RIEGLE for his dedication to this issue. He introduced this legislation three times since 1989. The implementation of this beneficiary access program is even more timely with the addition of the Specialized Low-Income Medicare Beneficiary Program.

I urge my colleagues to join us to ensure the financial protection of all low income elderly and disabled citizens.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 650. A bill to amend the National Apprenticeship Act to require minimum funding for certain outreach recruitment and training programs, to restore a national information collection system, to limit the authority to conduct reductions in force within the Bureau of Apprenticeship and Training of the Department of Labor, and for other purposes; to the Committee on Labor and Human Resources.

APPRENTICESHIP IMPROVEMENT ACT OF 1993

Mr. RIEGLE. Mr. President, I rise to introduce the Apprenticeship Improvement Act of 1993. I am very pleased that my friend and colleague from Michigan, Senator LEVIN, is an original cosponsor of this legislation. The bill we are offering addresses one of our Nation's most critical challenges: Educating American workers so they can fill high-skill jobs that we must have in this country.

We face a job crisis in this country. Our manufacturing base is eroding and federal programs have not been enough to stop the decline. This is especially true in my State of Michigan. In fact, over the past year 89 percent of the increase in jobs in Michigan were part-time jobs. These are jobs that typically pay lower wages and do not provide health and pension benefits. Consequently, young men and women entering the work force straight from high school do not have the same opportunities that existed in the past.

If we are to remain a strong Nation and rebuild our job base we need a strategy to provide meaningful job opportunities for all Americans. An important element of that strategy is ensuring that every citizen has the skills that he or she needs to be as productive as possible. Apprenticeship programs have proven to be a highly effective way of providing those practical skills they need to succeed.

Some 280,000 people are now enrolled in registered apprenticeship programs. Unfortunately, the United States, unlike many of our foreign competitors, does not provide enough support for apprenticeship opportunities. Furthermore, that support has declined; from 1980 to 1990, Federal support for apprenticeship programs declined by 70 percent.

President Clinton and Secretary of Labor Robert Reich recognize the importance of apprenticeship programs in training our work force. I am encouraged by their leadership and I look forward to working with them.

At the Federal level, apprenticeship programs are now administered by the Bureau of Apprenticeship and Training [BAT]. BAT plays a vital role in promoting and maintaining our apprenticeship system. BAT encourages employers to implement apprenticeship programs and helps workers find appropriate programs.

Despite the clear need to expand apprenticeship opportunities, BAT has had declining staff reductions over the past 12 years. In 1981, there were 459 full-time staff members at BAT; in 1990, there were 246. The legislation I am introducing today would restore some strength to BAT by increasing the staff level to 377.

This proposal would not return BAT to the level that existed in 1981. We face an enormous budget deficit that threatens our long-term economic health. I believe that it is appropriate to encourage the Federal Government to do more and spend less. This bill is consistent with that idea.

In addition, so we can make best use of the apprenticeship programs already available, the bill would require the Secretary of Labor to establish and maintain a national information collection system for apprenticeship and apprenticeship programs.

The Apprenticeship Improvement Act would encourage BAT to make a greater effort to ensure that more people who have not traditionally been part of the apprenticeship programs in the past have greater opportunity in the future. Women now account for 45 percent of the work force, yet only about 7 percent of apprentices are women. A GAO study found that a lack of public awareness of apprenticeship programs is a major reason women are underrepresented in the work force. The bill requires that at least 1 percent of the funding for the program be made available for outreach recruitment activities to increase the participation of women, minorities, handicapped individuals, displaced workers, and disadvantaged individuals.

Within 6 months of the enactment of this bill the Secretary of Labor must submit a detailed report determining whether apprenticeship programs comply with regulations governing equal opportunity. The composition of our work force is changing dramatically—we must ensure that anyone who is capable of contributing is given the chance.

Mr. President, this bill would help us rebuild our economic strength by improving the productivity of our most important resource—our people. I urge my colleagues to support this legislation.

I ask unanimous consent that the text of the bill be included in the RECORD.

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

S. 650

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 “Apprenticeship Improvement Act of 1993”.

SEC. 2. ESTABLISHMENT OF NATIONAL INFORMATION COLLECTION SYSTEM.

Section 2 of the Act of August 16, 1937 (50 Stat. 694; 29 U.S.C. 50), popularly known as the National Apprenticeship Act (hereinafter referred to as the “Act”) is amended—

(1) by inserting “(a)” after “Sec. 2.”; and

(2) by adding at the end thereof the following new subsection:

(b) The Secretary shall establish and maintain a national information collection system for apprenticeships and apprenticeship programs.”.

SEC. 3. OUTREACH PROGRAM.

The Act is amended—

(1) by redesignating section 4 as section 5, and

(2) by inserting after section 3 the following new section:

4. The Secretary shall assure that from the amounts appropriated to carry out this Act in each fiscal year, not less than 1 percent of such amounts shall be available to establish outreach recruitment activities to increase the participation of women, minorities, handicapped individuals, displaced workers, and disadvantaged individuals in the apprenticeship programs authorized by this Act.”.
SEC. 4. ESTABLISHMENT OF BUREAU OF APPRENTICESHIP AND TRAINING; APPOINTMENT OF EMPLOYEES.

(a) ESTABLISHMENT.—There is established in the Department of Labor, the Bureau of Apprenticeship and Training (hereinafter in this Act referred to as the “Bureau”) which shall carry out the policies and functions of the Secretary of Labor with respect to the promotion of labor standards of apprenticeship, including appropriate administrative and program support services, together with personnel necessary to the administration of such functions, and unexpended balances of appropriations and other funds in the Treasury of the United States absorbed thereby, transferred to the Bureau. Functions related to apprenticeship, including appropriate administrative and program support services, together with personnel necessary to the administration of such functions, and unexpended balances of appropriations and other funds in the Treasury of the United States absorbed thereby, are transferred to the Bureau.

(b) TRANSFER OF FUNCTIONS.—Functions of the Assistant Secretary for Employment and Training Administration of the Department of Labor with respect to the promotion of labor standards of apprenticeship, including appropriate administrative and program support services, transferred to the Bureau. Functions related to apprenticeship, including appropriate administrative and program support services, together with personnel necessary to the administration of such functions, and unexpended balances of appropriations and other funds in the Treasury of the United States absorbed thereby, are transferred to the Bureau.

(c) APPOINTMENT OF EMPLOYEES.—The Secretary shall appoint such personnel as may be necessary for the administration of this Act in accordance with laws applicable to the appointment and compensation of employees and advisors of the United States.

SEC. 5. INCREASE IN FORCE.

(a) IN GENERAL.—The Secretary shall increase the number of full-time employees not later than January 1, 1994.

(b) CONSIDERATION OF EMPLOYEES WORKING LESS THAN FULL TIME.—In the administration of subsection (a) the number corresponding to the average number of hours in such employee’s regularly scheduled workweek and the denominator of which is 40 shall be counted.

SEC. 6. LIMITATIONS ON REDUCTION IN FORCE.

(a) IN GENERAL.—A reduction in force may not be conducted within the Bureau if: (1) a part-time employee shall be counted as a fraction, the numerator of which is the number corresponding to the average number of hours in such employee’s regularly scheduled workweek and the denominator of which is 40; and (2) an individual employed on a temporary or intermittent basis shall not be counted.

SEC. 7. REPORT.

(a) IN GENERAL.—The Secretary shall prepare and submit to the Congress, not later than 6 months after the date of enactment of this Act, a detailed report concerning whether the apprenticeship program conducted by the Department of Labor under the Act of August 20, 1938 (52 Stat. 1035) complies with regulations governing equal opportunity.

(b) CONTENTS OF REPORT.—The report required by this section shall include—

1. a detailed description of activities carried out by the Department of Labor to ensure compliance with applicable laws and regulations;
2. a list of compliance reviews undertaken by the Department; and
3. a description of any sanctions imposed as a result of the compliance reviews.

By Mr. PELL (for himself, Mr. CHAFEE, Mr. KERRY, and Mr. WELLSTONE):

S.J. Res. 69. A joint resolution providing for the United States to assume a strong leadership role in implementing the decisions made at the Earth Summit by developing a national strategy to implement Agenda 21 and other Earth Summit agreements through domestic policy and foreign policy, by operating with all countries to identify and initiate further agreements to protect the global environment, and by supporting and participating in the high-level United Nations Sustainable Development Commission; to the Committee on Foreign Relations.

Earth Summit Environment Leadership Act

Mr. PELL. Mr. President, today I am introducing the Earth Summit Environment Leadership Act. Joining me in introducing this legislation are Senators CHAFEE, KERRY, and WELLSTONE.

A companion measure is being introduced by the House side by Congresswoman NANCY PELOSI to whom special recognition and credit should go for her efforts in this area.

Last summer in July, the leaders of over 100 nations met in Rio de Janeiro, Brazil for the U.N. Conference on Environment and Development or more simply the Earth Summit. The Conference was the largest ever meeting of heads of state. It was also vivid testimony to the importance environmental issues have assumed in international relations.

Five documents were completed at the Earth Summit: the Convention on Climate Change, the Convention on Biological Diversity, the Rio Declaration, Agenda 21, and a nonbinding authoritative statement on global forest management.

As my colleagues may remember, the Senate granted its advice and consent to the Convention on Climate Change, enabling the United States to become the first industrialized country and only the fourth country overall to become a party to the convention. The Bush administration declined to sign the Convention on Biological Diversity.

The centerpiece of what remains is Agenda 21, a 40 chapter, 600 plus page action plan for sustainable development into the 21st century. The resolution introduced today focuses on the steps necessary in the Congress and the President to take to implement Agenda 21 effectively. With my colleagues indulgence, I will highlight just a few of those measures.

The resolution calls for the adoption of a national strategy for sustainable development. It notes that the strategy should be prepared with board input from all sectors of society, including state and local government, business, labor, and nongovernmental organizations. The President is called upon to submit an annual report to Congress on the steps taken to implement Agenda 21.

The resolution also calls for the promotion of sustainable development through the U.S. foreign assistance program and through the multilateral development banks.

Further, the resolution calls on the President to appoint a high-level representatives or delegation from the United States to the Commission on Sustainable Development. The Commission was formally established only last month in New York at the meeting of the Economic and Social Council of the United Nations. Its mandate, broadly speaking is to monitor implementation of Agenda 21.

In order to ensure that the Commission has the credibility to carry out this function effectively, the resolution urges the President to appoint a high-level representatives or delegation from the United States to the Commission. In addition, resolution states that the United States should encourage the active participation of the representatives of the international financial institutions in the Commission's work.

Mr. President, alone in the Congress, I had the privilege and honor to attend both the Earth Summit and its predecessor 20 years ago, the Stockholm Conference on the Human Environment. That earlier conference marked a turning point in environmental awareness around the world.

One of the Stockholm Conference's most significant accomplishments was the establishment of the United Nations Environment Programme. To my mind, UNEP has been one of the most cost effective investments in protecting the environment that our Government has made.

The establishment of UNEP was not, however, the only product of Stockholm. In the aftermath of the Conference, numerous countries established their own versions of our Environmental Protection Agency or provided a formal mandate to protect the environment to an existing ministry.

Similar and indeed stronger action will be necessary to make the promise of UNCED a reality. The Earth Summit Environmental Leadership Act provides broad guidance for United States implementation of accords reached last June to the U.N. Conference on Environment and Development in Brazil, especially Agenda 21.

I am hopeful that broad, bipartisan consensus can be reached behind these policies, because such support will be essential for their effective implementation. I hope this resolution will enjoy that support.
ADDITIONAL COSPONSORS

At the request of Mr. ROTH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 20, a bill to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes.

At the request of Mr. MOYNIHAN, the name of the Senator from Nebraska [Mr. REID] was added as a cosponsor of S. 110, a bill to require the Administrator of the Environmental Protection Agency to seek advice concerning environmental risks, and for other purposes.

At the request of Mr. SARBANES, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 161, a bill to provide for an endowment grant program to support college access programs nationwide, and for other purposes.

At the request of Mr. EXON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 412, a bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwards, and for other purposes.

At the request of Mr. CONRAD, the name of the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. BRADLEY], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as Emergency Medical Services Week.

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 600, a bill to amend the Internal Revenue Code of 1986 to extend and modify the anti-terrorism tax deduction.

At the request of Mr. D’AMATO, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Joint Resolution 39, a joint resolution designating the weeks beginning December 19, 1993, and January 16, 1994, as “National Rehabilitation Week.”

At the request of Mr. EXON, the name of the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. BRADLEY], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating the weeks of September 19, 1993, through September 25, 1993, and of September 18, 1994, through September 24, 1994, as “Women’s History Month.”

At the request of Mr. HATCH, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of Senate Joint Resolution 53, a joint resolution designating March 1993 and March 1994 both as “Women’s History Month.”

At the request of Mr. MURKOWSKI, the names of the Senator from Delaware [Mr. ROTH], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Idaho [Mr. CRAIG], the Senator from Washington [Mrs. MURRAY], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KERRY], the Senator from Texas [Mr. BORRELL], the Senator from Virginia [Mr. ROBB], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of Senate Joint Resolution 54, a joint resolution designating April 8, 1993, and April 9, 1994, as “National Former Prisoner of War Recognition Day.”

At the request of Mr. BIDEN, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Vermont [Mr. LEAHY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Rhode Island [Mr. CHAFETZ], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the week beginning April 12, 1993, as “National Public Safety Telecommunicator Week.”

At the request of Mr. BIDEN, the names of the Senator from Florida [Mr. GRAHAM], the Senator from South Carolina [Mr. HOLLINGS], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 62, a joint resolution to designate the week beginning April 25, 1993, as “National Crime Victims’ Rights Week.”

At the request of Mr. DURENBERGER, the names of the Senator from Missouri [Mr. MOYNIHAN] were added as cosponsors of Senate Resolution 68, a resolution urging the President of the United States to seek an international oil embargo through the United Nations against Libya because of its refusal to comply with United Nations Security Council Resolutions 731 and 748 concerning the bombing of Pan Am Flight 103.

At the request of Mr. DURENBERGER, the names of the Senator from Missouri [Mr. BOND] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of amendment No. 222 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

S. Res. 82

Whereas, the Committee on Governmental Affairs, in conducting its investigation of serious management problems at the National Archives and Record Administration;

Whereas, as a result of its investigation, the Committee referred matters that it had investigated to executive branch agencies for investigation and appropriate action;

Whereas, the Department of Justice has requested access to records of the Committee’s investigation as part of the inquiry resulting from the Committee’s referral;

Whereas, by the privileges of the Senate under the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate; Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Committee on Governmental Affairs, acting jointly, are authorized to provide to the Department of
Justice records of testimony and exhibits received by the Committee in its investigation of management problems at the National Archives and Records Administration, except for materials for which a privilege should be asserted.

**AMENDMENTS SUBMITTED**

**OMNIBUS CONGRESSIONAL BUDGET RESOLUTION**

**LAUTENBERG AMENDMENT NO. 242**

Mr. LAUTENBERG (for himself and Mr. EXON), proposed an amendment to the concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the U.S. Government for fiscal years 1994, 1995, 1996, 1997, and 1998, as follows:

At the appropriate place insert the following new section.

**SEC. - SENSE OF THE SENATE ON SOCIAL SECURITY TAXES.**  It is the sense of the Senate that the revenues set forth in this resolution assume that the Finance Committee will make every effort to find alternative sources of revenues before imposing new taxes on the benefits of Social Security beneficiaries with threshold incomes (for purposes of the taxation of Social Security benefits) of less than $32,000 for individuals and $49,000 for married couples filing joint returns.

**THURMOND AMENDMENT NO. 243**

(Ordered to lie on the table.)

Mr. THURMOND (for himself, Mr. McCAIN, Mr. COATS, and Mr. SMITH) submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place, insert the following new section.

**SEC. - SENSE OF SENATE REGARDING ADDITIONAL REDUCTIONS IN AGRICULTURAL SPENDING.**

(a) FINDINGS. - The Senate finds that —

(1) of the top 12 mandatory spending programs of the Federal Government, the farm price support program ranks 12th in total spending and is the only program of the 12 whose spending declined between fiscal years 1985 and 1992.

(2) spending for the farm price support program will comprise less than 1% of the nearly $63 billion budget for the United States Department of Agriculture during fiscal year 1993.

(3) agricultural spending can be reduced by the expansion of markets for agricultural products and improved management of farm programs, as well as by cuts in farm price support levels.

(4) each 1 cent per bushel increase in the price received by corn producers decreases the cost of the corn price support program by $55-80 million annually.

(5) each 1 cent per bushel increase in the price received by wheat producers decreases the cost of the wheat price support program by $17-22 million annually.

(6) agriculture is the largest industry in the United States, employing more Americans in production, processing, and marketing activities associated with agriculture than any other single industry.

(7) consumers in the United States spend 8.9 percent of their personal income on food consumed at home, a smaller percent of income than consumers in any other country in the world.

(8) the European Community spends nearly 3 times more than the United States in support of farmers of the European Community, including more in the form of export subsidies than the entire cost of United States farm programs.

(b) SENSE OF SENATE. — It is the sense of the Senate that any further reductions in agricultural spending required by this resolution be accomplished by increasing the prices that producers receive for their commodities in the marketplace rather than by making additional reductions in farm price support payment rates.

**GRAMM AMENDMENT NO. 245**

(Ordered to lie on the table.)

Mr. GRAMM, submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place, insert the following new section.

**SEC. - SENSE OF SENATE ON SOCIAL SECURITY BENEFITS.**

(5) each 1 cent per Bushel increase in the price received by corn producers decreases the cost of the corn price support program by $55-80 million annually.

(6) agriculture is the largest industry in the United States, employing more Americans in production, processing, and marketing activities associated with agriculture than any other single industry.

(7) consumers in the United States spend 8.9 percent of their personal income on food consumed at home, a smaller percent of income than consumers in any other country in the world.

(8) the European Community spends nearly 3 times more than the United States in support of farmers of the European Community, including more in the form of export subsidies than the entire cost of United States farm programs.

(b) SENSE OF SENATE. — It is the sense of the Senate that any further reductions in agricultural spending required by this resolution be accomplished by increasing the prices that producers receive for their commodities in the marketplace rather than by making additional reductions in farm price support payment rates.
On page 3, line 10, decrease the amount by $63,000,000.
On page 3, line 11, decrease the amount by $65,000,000.
On page 3, line 12, decrease the amount by $68,000,000.
On page 3, line 13, decrease the amount by $75,000,000.
On page 3, line 14, decrease the amount by $77,000,000.
On page 4, line 6, decrease the amount by $65,000,000.
On page 4, line 7, decrease the amount by $65,000,000.
On page 4, line 8, decrease the amount by $65,000,000.
On page 4, line 9, decrease the amount by $70,000,000.
On page 4, line 10, decrease the amount by $71,000,000.
On page 4, line 11, decrease the amount by $71,000,000.
On page 4, line 15, decrease the amount by $65,000,000.
On page 4, line 16, decrease the amount by $65,000,000.
On page 4, line 17, decrease the amount by $65,000,000.
On page 4, line 18, decrease the amount by $70,000,000.
On page 4, line 19, decrease the amount by $73,000,000.
On page 5, line 1, decrease the amount by $63,000,000.
On page 5, line 2, decrease the amount by $65,000,000.
On page 5, line 3, decrease the amount by $66,000,000.
On page 5, line 4, decrease the amount by $75,000,000.
On page 5, line 5, decrease the amount by $75,000,000.
On page 5, line 10, decrease the amount by $65,000,000.
On page 5, line 11, decrease the amount by $65,000,000.
On page 5, line 12, decrease the amount by $65,000,000.
On page 5, line 13, decrease the amount by $68,000,000.
On page 5, line 14, decrease the amount by $70,000,000.
On page 5, line 15, decrease the amount by $73,000,000.
On page 5, line 22, decrease the amount by $65,000,000.
On page 5, line 23, decrease the amount by $65,000,000.
On page 5, line 24, decrease the amount by $65,000,000.
On page 5, line 25, decrease the amount by $70,000,000.
On page 6, line 1, decrease the amount by $73,000,000.
On page 6, line 7, decrease the amount by $65,000,000.
On page 6, line 8, decrease the amount by $68,000,000.
On page 6, line 9, decrease the amount by $66,000,000.
On page 6, line 10, decrease the amount by $70,000,000.
On page 6, line 11, decrease the amount by $75,000,000.
On page 47, line 22, decrease the first amount by $63,000,000.
On page 47, line 22, decrease the last amount by $339,000,000.
On page 57, line 18, decrease the amount by $63,000,000.
On page 57, line 19, decrease the amount by $339,000,000.

GRAMM AMENDMENT NO. 246

(Ordered to lie on the table.)

Mr. GRAMM (for himself, Mr. ROTHI, and Mr. PRESSLER) submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 19), supra, as follows:

On page 3, line 18, decrease the amount by $12,800,000,000.
On page 4, line 24, decrease the amount by $8,500,000,000.
On page 41, line 25, decrease the amount by $8,500,000,000.
On page 42, line 6, decrease the amount by $9,500,000,000.
On page 42, line 7, decrease the amount by $9,500,000,000.
On page 42, line 13, decrease the amount by $12,000,000,000.
On page 42, line 14, decrease the amount by $12,000,000,000.
On page 42, line 21, decrease the amount by $12,900,000,000.
On page 42, line 20, decrease the amount by $12,900,000,000.
On page 50, line 10, decrease the amount by $56,100,000,000.
On page 57, line 18, decrease the amount by $12,900,000,000.
On page 57, line 19, decrease the amount by $56,100,000,000.

BROWN AMENDMENT NO. 247

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, line 19, increase the amount by $2,000,000,000.
On page 3, line 2, increase the amount by $3,000,000,000.
On page 3, line 4, increase the amount by $3,000,000,000.
On page 3, line 6, increase the amount by $3,000,000,000.
On page 3, line 10, increase the amount by $90.
On page 3, line 11, increase the amount by $2,000,000,000.
On page 3, line 12, increase the amount by $3,000,000,000.
On page 3, line 13, increase the amount by $3,000,000,000.
On page 3, line 14, increase the amount by $3,000,000,000.
On page 4, line 6, increase the amount by $90.
On page 4, line 7, increase the amount by $2,000,000,000.
On page 4, line 8, increase the amount by $3,000,000,000.
On page 4, line 9, increase the amount by $3,000,000,000.
On page 4, line 10, increase the amount by $3,000,000,000.
On page 4, line 11, increase the amount by $3,000,000,000.
On page 4, line 15, increase the amount by $90.
On page 4, line 16, increase the amount by $2,000,000,000.
On page 4, line 17, increase the amount by $3,000,000,000.
On page 5, line 1, decrease the amount by $9,500,000,000.
On page 5, line 2, decrease the amount by $3,000,000,000.
On page 5, line 3, decrease the amount by $9,500,000,000.
On page 5, line 4, decrease the amount by $12,000,000,000.
On page 5, line 5, decrease the amount by $12,000,000,000.
On page 5, line 11, decrease the amount by $9,500,000,000.
On page 5, line 12, decrease the amount by $9,500,000,000.
On page 5, line 13, decrease the amount by $9,500,000,000.
On page 5, line 14, decrease the amount by $12,000,000,000.
On page 5, line 15, decrease the amount by $12,000,000,000.
On page 5, line 22, decrease the amount by $12,800,000,000.
On page 5, line 23, decrease the amount by $12,800,000,000.
On page 5, line 24, decrease the amount by $12,800,000,000.
On page 5, line 25, decrease the amount by $12,800,000,000.
On page 5, line 1, decrease the amount by $12,800,000,000.
On page 5, line 2, decrease the amount by $12,800,000,000.
On page 5, line 3, decrease the amount by $12,800,000,000.
On page 5, line 4, decrease the amount by $12,800,000,000.
On page 5, line 5, decrease the amount by $12,800,000,000.
On page 5, line 11, decrease the amount by $12,800,000,000.
On page 5, line 17, decrease the amount by $12,800,000,000.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 1</td>
<td>$625,200,000</td>
</tr>
<tr>
<td>Page 2</td>
<td>$179,100,000</td>
</tr>
<tr>
<td>Page 3</td>
<td>$69,900,000</td>
</tr>
<tr>
<td>Page 4</td>
<td>$115,900,000</td>
</tr>
<tr>
<td>Page 5</td>
<td>$66,400,000</td>
</tr>
<tr>
<td>Page 6</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>Page 7</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Page 8</td>
<td>$500,000</td>
</tr>
<tr>
<td>Page 9</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 10</td>
<td>$234,300,000</td>
</tr>
<tr>
<td>Page 11</td>
<td>$30,500,000</td>
</tr>
<tr>
<td>Page 12</td>
<td>$115,900,000</td>
</tr>
<tr>
<td>Page 13</td>
<td>$30,500,000</td>
</tr>
<tr>
<td>Page 14</td>
<td>$173,100,000</td>
</tr>
<tr>
<td>Page 15</td>
<td>$207,800,000</td>
</tr>
<tr>
<td>Page 16</td>
<td>$173,100,000</td>
</tr>
<tr>
<td>Page 17</td>
<td>$64,400,000</td>
</tr>
<tr>
<td>Page 18</td>
<td>$234,300,000</td>
</tr>
<tr>
<td>Page 19</td>
<td>$173,100,000</td>
</tr>
<tr>
<td>Page 20</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 21</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 22</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 23</td>
<td>$300,000</td>
</tr>
<tr>
<td>Page 24</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 25</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Page 26</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 27</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Page 28</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 29</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 30</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 31</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 32</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 33</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 34</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 35</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 36</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 37</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 38</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 39</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 40</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 41</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 42</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 43</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 44</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 45</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 46</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 47</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 48</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 49</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 50</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 51</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 52</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 53</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 54</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 55</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 56</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 57</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 58</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 59</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 60</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 61</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 62</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 63</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 64</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 65</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 66</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 67</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 68</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 69</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 70</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 71</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 72</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 73</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 74</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 75</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 76</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 77</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 78</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 79</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 80</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 81</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 82</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 83</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 84</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 85</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 86</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 87</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 88</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 89</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Page 90</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Page 91</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 92</td>
<td>$800,000</td>
</tr>
<tr>
<td>Page 93</td>
<td>$600,000</td>
</tr>
<tr>
<td>Page 94</td>
<td>$900,000</td>
</tr>
<tr>
<td>Page 95</td>
<td>$400,000</td>
</tr>
<tr>
<td>Page 96</td>
<td>$200,000</td>
</tr>
<tr>
<td>Page 97</td>
<td>$3,900,000</td>
</tr>
<tr>
<td>Page 98</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Page 99</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Page 100</td>
<td>$2,700,000</td>
</tr>
</tbody>
</table>
CONGRESSIONAL RECORD—SENATE

March 24, 1993

On page 26, line 18, decrease the amount by $11,800,000,000.
On page 26, line 19, decrease the amount by $11,800,000,000.
On page 26, line 25, decrease the amount by $20,000,000,000.
On page 27, line 1, decrease the amount by $17,000,000,000.
On page 27, line 7, decrease the amount by $30,200,000,000.
On page 27, line 8, decrease the amount by $28,900,000,000.
On page 27, line 14, decrease the amount by $13,600,000,000.
On page 28, line 5, decrease the amount by $40,100,000,000.
On page 27, line 18, decrease the amount by $30,700,000,000.
On page 27, line 22, decrease the amount by $13,600,000,000.
On page 27, line 23, decrease the amount by $23,700,000,000.
On page 28, line 6, decrease the amount by $23,700,000,000.
On page 28, line 12, decrease the amount by $44,500,000,000.
On page 28, line 13, decrease the amount by $44,500,000,000.
On page 28, line 19, decrease the amount by $61,000,000,000.
On page 28, line 20, decrease the amount by $61,000,000,000.
On page 29, line 2, decrease the amount by $79,500,000,000.
On page 29, line 3, decrease the amount by $79,500,000,000.
On page 30, line 24, decrease the amount by $1,100,000,000.
On page 30, line 25, decrease the amount by $600,000,000.
On page 31, line 6, decrease the amount by $300,000,000.
On page 31, line 7, decrease the amount by $1,600,000,000.
On page 31, line 13, decrease the amount by $5,300,000,000.
On page 31, line 14, decrease the amount by $1,200,000,000.
On page 31, line 20, decrease the amount by $4,100,000,000.
On page 31, line 21, decrease the amount by $5,700,000,000.
On page 32, line 2, decrease the amount by $7,700,000,000.
On page 32, line 3, decrease the amount by $7,500,000,000.
On page 32, line 11, decrease the amount by $100,000,000.
On page 32, line 12, decrease the amount by $11,900,000,000.
On page 32, line 17, decrease the amount by $0.
On page 32, line 18, decrease the amount by $200,000,000.
On page 32, line 24, decrease the amount by $0.
On page 32, line 24, decrease the amount by $200,000,000.
On page 33, line 6, decrease the amount by $0.
On page 33, line 7, decrease the amount by $400,000,000.
On page 33, line 13, decrease the amount by $0.
On page 33, line 14, decrease the amount by $500,000,000.
On page 33, line 21, decrease the amount by $700,000,000.
On page 33, line 22, decrease the amount by $600,000,000.
On page 34, line 5, decrease the amount by $1,200,000,000.
On page 34, line 6, decrease the amount by $1,200,000,000.

D'AMATO AMENDMENT NO. 246
(Ordered to lie on the table.)

Mr. D'AMATO submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place insert the following new section:

SEC. 2. SENSE OF THE SENATE THAT IMPOSING NEW FEES ON STATE-CHARTERED BANKS WILL EXACERBATE THE CREDIT CRUNCH AND STIFLE ECONOMIC RECOVERY.

(a) FINDINGS.—The Senate finds that—
(1) No program to revitalize the economy and reduce unemployment will work unless small businesses, the real engine of economic growth and employment, can get the credit necessary to expand and to hire new workers.
(2) Small businesses employ half the country's workforce and contribute 40 percent to the nation's GNP.
(3) Between 1980 and 1987, while the Fortune 500 companies eliminated 3.1 million jobs, small businesses created 17 million new jobs.
(4) Between 1981 and 1986 small businesses with less than 20 employees created 88 percent of new jobs.
(5) Banks are the single most important source of capital to small businesses. Banks provide, on average, 65 percent of all short-term funding for businesses that employ between 21 and 100 employees and nearly 70 percent of the long-term capital for small businesses with between 201 and 500 employees.
(6) The inability of small businesses to obtain credit, the so-called "credit crunch," is stifling economic recovery and employment growth. The Chairman of the Board of Governors of the Federal Reserve System has concluded that the credit crunch is a major reason why small business has not been able to expand as much as in the past and employment growth has been so slow.

(7) Based on the current 8 percent capital requirement, banks can lend $12.50 for every dollar of capital. Thus, every dollar that the government takes out of the banking system will reduce credit available to small businesses by $12.50.

(8) The budget resolution provision that requires the federal government to impose a $1.379 billion fee on state-chartered banks will reduce the availability of credit to small businesses by $17,237 million.

CONGRESSIONAL RECORD—SENATE

Mr. GRAMM (for himself, Mr. LOTT, Mr. McCaIN, Mr. HATCH, Mr. MACK, Mr. FAIRCLOTH, and Mr. Nickles) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 6, line 21, decrease the amount by $31,000,000,000.
On page 6, line 22, decrease the amount by $9,300,000,000.
On page 6, line 23, decrease the amount by $7,000,000,000.
On page 6, line 24, decrease the amount by $2,500,000,000.
On page 6, line 25, decrease the amount by $1,000,000,000.
On page 6, line 26, decrease the amount by $250,000,000.
On page 6, line 27, decrease the amount by $100,000,000.
On page 6, line 28, decrease the amount by $50,000,000.
On page 6, line 29, decrease the amount by $2,500,000.
On page 6, line 30, decrease the amount by $1,000,000.

SPECTER (for himself, Mr. BAUCUS) submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place in the resolution, insert the following:

SEC. 1. It is the sense of the Congress, in setting forth the budget authority and outlays in this resolution, that it is assumed that funds to reduce the availability and use of illegal drugs will be shifted over the next five years so that the allocation shall be equally distributed between the so-called "supply side" (interdiction, law enforcement, and international supply reduction efforts) and the so-called "demand side" (education, rehabilitation, treatment, and research programs).

DANFORTH (for himself, Mr. Boren, and Mr. BAUCUS) submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the concurrent resolution, insert the following:

SEC. 1. It is the sense of the Senate that the Senate Committee on Finance should
give serious consideration to the adoption of a broad and progressive consumption-based tax to replace part or all of the existing tax system which fulfills its obligation under section 7 of this resolution. Moreover, it is the sense of the Senate that not later than December 31, 1993, the Senate Committee on Finance should hold hearings on the various issues involved in moving our tax system toward a consumption-based tax system and away from the current income-based system.

MIKULSKI (AND OTHERS) AMENDMENT NO. 252
(Ordered to lie on the table.)

Ms. MIKULSKI (for herself, Mrs. MANKIN, Mr. FEINSTEIN, Mr. BUMPERS, and Mr. RIEGLE) submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, add the following: SEC. 7. SENSE OF THE SENATE REGARDING A NEW TAX SYSTEM FOR THE UNITED STATES.

(a) FINDINGS.—The Senate finds that—

(1) a higher level of saving and investment for sustained long-term economic growth is a national priority; and

(2) the United States must have a tax system that is compatible with policies to promote savings and investment in order to promote greater productivity and more rapid economic growth while maintaining fairness and the principle of progressive taxation;

(b) The Senate finds that certain income levels should be given the fair opportunity to save, earn additional income from their investment and raise their standard of living;

(c) Economic growth requires a tax system that facilitates successful competition in the emerging global marketplace;

(d) the tax system of the United States must be simple and efficient;

(e) the Congress should not enact a VAT on top of our current income tax system; and

(f) the current tax system is flawed and should be replaced with a new progressive consumption-based, savings exempt income tax system described in (c).

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

(1) the Secretary of the Treasury shall conduct a study on the desirability and feasibility of abolishing the current income tax system and replacing it with a progressive consumption-based, savings exempt income tax system described in (c); and

(2) the Secretary of the Treasury shall, not later than March 1, 1994, report the results of the study under subsection (a) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(3) Following and contingent upon the Treasury study, but not later than December 31, 1994, the Congress and the President should decide whether to adopt a progressive consumption-based, savings exempt income tax system and specify appropriate transition strategies that assure that revenue requirements are met through consumption-based, savings exempt income taxes for individuals and cash flow taxes for corporations. If the Congress decides to go forward with this reform, not later than December 31, 1995, the Congress and the President should abolish the current income tax system and enact a progressive consumption-based, savings exempt income tax system, which when coupled with the budget reforms and spending reductions are adequate to balance the budget in 2002. Revenue increases would take effect only upon the enactment of spending restraints called for under budget resolutions considered after January 1, 1996.

(c) IN GENERAL.—The progressive consumption-based, savings exempt income tax system described in this subsection shall—

(1) replace the current progressive-rate income tax system with a simplified progressive consumption-based tax on goods sold which provides that savings and investment made by individuals would not be taxed; and

(2) replace the current corporate income tax system with a simplified cash flow tax on business gross income (sales minus cost of goods sold) which allows a deduction for savings reinvested in plant and equipment for the business.

(d) OTHER FEATURES.—The system shall provide that—

NUNN (DOMENIC) AMENDMENT NO. 255

Mr. NUNN (for himself and Mr. DOMENIC) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following new section:

NEW TAX SYSTEM

(1) The new tax system must be simple and efficient;

(2) The new tax system must be consistent with the position of the Administration, that the Btu tax will be imposed at the same rate on all fuels purchased by households for home heating purposes and therefore that the supplemental tax on oil will not be imposed on such fuels.
CONGRESSIONAL RECORD—SENATE

March 24, 1993

6256

(1) corporations and individuals would continue to pay the same proportion of the total Federal income tax revenue as is paid under current law;
(2) the structure would retain, or improve upon the progressivity of current law;
(3) the rate structure would recognize that even low- and middle-income families come on necessities and would provide a threshold amount of consumption upon which families would not be taxed;
(4) anti-savings and investment incentives in the current income tax code would be replaced by a system that exempts savings from taxation;
(5) wages, if saved and interest earned from those savings would be exempt from taxation;
(6) dividends earned and saved would be exempt from taxation under the new tax system;
(7) capital gains would, after a minimum holding period, be subject to progressively lower rates the longer the gains remain unrealized;
(8) estate and gift taxes would be modified so that no income escapes taxation at least once during the lifetime of the earner;
(9) there would be no bias in favor of either debt or equity financing;
(10) the export competitiveness of the United States would be enhanced by the providing both adjustability on terms meeting the requirements of the General Agreement on Tariffs and Trade;
(11) expenses charged against capital costs would replace other cost recovery systems; and
(12) dividends would be taxed only at the corporate level if the recipient reinvests or otherwise saves the dividends.

The Secretary of the Treasury shall, not later than March 1, 1993, report the results of the study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. Such report shall include such legislative recommendations as the Secretary determines appropriate.

SEC. 1. CONGRESSIONAL HEARINGS.

(a) The applicable congressional committees shall, not later than December 31, 1994, conduct such hearings into the tax system described in section as the committees deem appropriate.

(b) The Secretary shall report on the hearings under subsection (a) should focus on the following issues:
(1) The impact of the new system on the economy, including potential changes in the growth rate of the Gross Domestic Product, changes in the cost of capital and cost of labor, increases in productivity, and increases in the national savings rate.
(2) The impact on the revenue-generating capacity, fairness, and simplification of the tax system.
(3) An appropriate level of basic income to be exempted from taxation;
(4) Determination of tax expenditures and other provisions in the tax code that subsidize certain activities;
(5) Provisions designed to adjust such tax expenditures and other provisions' tax treatment to reflect the investment and consumption components;
(6) Appropriate treatment of gifts and estates to achieve generational equity;
(7) Appropriate treatment of transfer payments; and
(8) Transition problems and recommended measures to alleviate such problems.

(b) Applicable Congressional Committees.—For the purposes of this section, the term "applicable congressional committees" means the following:
(1) Committee on Finance of the Senate.
(2) Committee on Ways and Means of the House of Representatives.
(3) Committee on Small Business of the House of Representatives and the Senate.
(4) Committee on the Budget of the House of Representatives and the Senate.
(5) Committee on Banking, Finance, and Urban Affairs of the House of Representatives.
(6) Committee on Banking, Housing, and Urban Affairs of the Senate.
(7) Joint Economic Committee.

KRUETER (AND DORGAN) AMENDMENT NO. 256

Mr. KRUETER (for himself and Mr. DORGAN) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution add the following new section:

SEC. 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1994.

(a) Committee on Finance of the Senate. (b) Committee on Ways and Means of the House of Representatives. (C) Committee on Small Business of the House of Representatives and the Senate. (D) Committees on the Budget of the House of Representatives and the Senate. (E) Committee on Banking, Finance, and Urban Affairs of the House of Representatives. (F) Committee on Banking, Housing, and Urban Affairs of the Senate. (G) Joint Economic Committee.

DOLE (AND OTHERS) AMENDMENT NO. 258

Mr. DOLE (for himself and Mr. DOMENICI, Mr. ROTH, Mr. GRAMM, Mr. GREGG, Mr. BENNETT, Mr. COVERDELL, Mr. FAIRBROTHER, Mr. KEMPThORNE, Mr. PACKWOOD, Mr. SHELBY, Mr. NICKLES, Mr. SIMPSON, Mr. COCHRAN, Mr. LOTT, Mr. BOND, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. D'AMATO, Mr. DANFORTH, Mr. DURENBERGER, Mr. GORTON, Mr. GRAHAM, Mr. HELMS, Mr. LUGAR, Mr. MACK, Mr. McCaIN, Mr. MCCONNEll, Mr. MURKOWSKI, Mr. PRESSLER, Mr. STEVENS, Mr. THURMOND, Mr. WALlop, and Mr. WARNER) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

Strike all after the resolving clause and insert the following:

"SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1994.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1994, including the appropriate budgetary levels for fiscal years 1995, 1996, 1997, and 1998, as required by section 301 of the Congressional Budget Act of 1974 (as amended by the Budget Enforcement Act of 1990).

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:


SEC. 2. RECOMMENDATIONS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1994, 1995, 1996, and 1997:

Fiscal Year 1994: $0.
Fiscal Year 1995: $0.
Fiscal Year 1996: $0.
Fiscal Year 1997: $0.
Fiscal Year 1998: $0.

The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal Year 1994: $0.
Fiscal Year 1995: $0.
Fiscal Year 1996: $0.
Fiscal Year 1997: $0.
Fiscal Year 1998: $0.

The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal Year 1994: $0.
Fiscal Year 1995: $0.
Fiscal Year 1996: $0.
Fiscal Year 1997: $0.
Fiscal Year 1998: $0.

The amounts for Federal Insurance Contributions Act, Medicare, and hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal Year 1994: $50,600,000,000.
Fiscal Year 1995: $50,600,000,000.
Fiscal Year 1996: $50,600,000,000.
Fiscal Year 1997: $50,600,000,000.
Fiscal Year 1998: $50,600,000,000.

The amounts for Federal Insurance Contributions Act, Medicare, and hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal Year 1994: $56,100,000,000.
Fiscal Year 1995: $56,100,000,000.
Fiscal Year 1996: $56,100,000,000.
Fiscal Year 1997: $56,100,000,000.
Fiscal Year 1998: $56,100,000,000.

The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal Year 1994: $0.
Fiscal Year 1995: $0.
Fiscal Year 1996: $0.
Fiscal Year 1997: $0.
Fiscal Year 1998: $0.
March 24, 1993

CONESSIONAL RECORD—SENATE

6257

SEC. 3. DEBT INCREASE AS A MEASURE OF DEFICIT.
The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1994: $1,212,000,000,000.
Fiscal year 1995: $1,208,000,000,000.
Fiscal year 1996: $1,207,000,000,000.
Fiscal year 1997: $1,240,500,000,000.
Fiscal year 1998: $1,267,000,000,000.

SEC. 4. SOCIAL SECURITY.
(a) SOCIAL SECURITY REVENUES.—For purposes of the enforcement of section 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1994: $256,300,000,000.
Fiscal year 1995: $250,000,000,000.
Fiscal year 1996: $243,400,000,000.
Fiscal year 1997: $227,100,000,000.
Fiscal year 1998: $205,600,000,000.

(b) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1994: $1,129,300,000,000.
Fiscal year 1995: $1,154,300,000,000.
Fiscal year 1996: $1,192,300,000,000.
Fiscal year 1997: $1,274,300,000,000.
Fiscal year 1998: $1,323,300,000,000.

(c) DISBURSEMENTS.—For purposes of the enforcement of section 302 and 311 of the Congressional Budget Act of 1974, the amounts of expenditures of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1994: $273,500,000,000.
Fiscal year 1995: $273,500,000,000.
Fiscal year 1996: $273,500,000,000.
Fiscal year 1997: $261,800,000,000.
Fiscal year 1998: $253,200,000,000.

(d) DISCOUNTS.—For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the discounts are as follows:

Fiscal year 1994: $331,000,000,000.
Fiscal year 1995: $310,000,000,000.
Fiscal year 1996: $290,000,000,000.
Fiscal year 1997: $259,000,000,000.
Fiscal year 1998: $252,400,000,000.

(e) BUDGET OUTLAYS.—For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget outlays are as follows:

Fiscal year 1994: $1,229,100,000,000.
Fiscal year 1995: $1,205,800,000,000.
Fiscal year 1996: $1,178,400,000,000.
Fiscal year 1997: $1,152,100,000,000.
Fiscal year 1998: $1,129,300,000,000.

(f) NEW DIRECT LOAN OBLIGATIONS.—For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1994: $1,764,500,000,000.
Fiscal year 1995: $1,713,000,000,000.
Fiscal year 1996: $1,643,000,000,000.
Fiscal year 1997: $1,587,000,000,000.
Fiscal year 1998: $1,526,000,000,000.

(g) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1994: $139,800,000,000.
Fiscal year 1995: $149,800,000,000.
Fiscal year 1996: $149,800,000,000.
Fiscal year 1997: $133,300,000,000.
Fiscal year 1998: $133,300,000,000.

Fiscal year 1994: $141,700,000,000.
Fiscal year 1995: $133,300,000,000.
Fiscal year 1996: $133,300,000,000.
Fiscal year 1997: $133,300,000,000.
Fiscal year 1998: $133,300,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.
The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1994 through 1998 for each major functional category are:

1. National Defense (500):

Fiscal year 1994: $227,100,000,000.
Fiscal year 1995: $273,500,000,000.
Fiscal year 1996: $273,500,000,000.
Fiscal year 1997: $261,800,000,000.
Fiscal year 1998: $253,200,000,000.

2. New primary loan guarantee commitments, $500,000,000.

3. The amount of debt subject to limitation.

4. Energy (270):

Fiscal year 1994: $1,700,000,000.
Fiscal year 1995: $1,700,000,000.
Fiscal year 1996: $1,700,000,000.
Fiscal year 1997: $1,700,000,000.
Fiscal year 1998: $1,700,000,000.

5. New primary loan guarantee commitments, $500,000,000.

6. The amount of debt subject to limitation.

7. New primary loan guarantee commitments, $500,000,000.

8. The amount of debt subject to limitation.

9. New primary loan guarantee commitments, $500,000,000.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>A) New Budget Authority</th>
<th>B) Outlays</th>
<th>C) New Direct Loan Obligations</th>
<th>D) New Primary Loan Guarantee Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>$3,100,000,000</td>
<td>$2,100,000,000</td>
<td>$600,000,000</td>
<td>$600,000,000</td>
</tr>
<tr>
<td>1992</td>
<td>$2,100,000,000</td>
<td>$1,000,000,000</td>
<td>$500,000,000</td>
<td>$500,000,000</td>
</tr>
<tr>
<td>1991</td>
<td>$1,000,000,000</td>
<td>$600,000,000</td>
<td>$600,000,000</td>
<td>$600,000,000</td>
</tr>
<tr>
<td>1990</td>
<td>$600,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
</tr>
<tr>
<td>1989</td>
<td>$300,000,000</td>
<td>$150,000,000</td>
<td>$150,000,000</td>
<td>$150,000,000</td>
</tr>
<tr>
<td>1988</td>
<td>$150,000,000</td>
<td>$75,000,000</td>
<td>$75,000,000</td>
<td>$75,000,000</td>
</tr>
<tr>
<td>1987</td>
<td>$75,000,000</td>
<td>$37,500,000</td>
<td>$37,500,000</td>
<td>$37,500,000</td>
</tr>
<tr>
<td>1986</td>
<td>$37,500,000</td>
<td>$18,750,000</td>
<td>$18,750,000</td>
<td>$18,750,000</td>
</tr>
<tr>
<td>1985</td>
<td>$18,750,000</td>
<td>$9,375,000</td>
<td>$9,375,000</td>
<td>$9,375,000</td>
</tr>
<tr>
<td>1984</td>
<td>$9,375,000</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
</tr>
<tr>
<td>1983</td>
<td>$4,687,500</td>
<td>$2,343,750</td>
<td>$2,343,750</td>
<td>$2,343,750</td>
</tr>
<tr>
<td>1982</td>
<td>$2,343,750</td>
<td>$1,171,875</td>
<td>$1,171,875</td>
<td>$1,171,875</td>
</tr>
<tr>
<td>1981</td>
<td>$1,171,875</td>
<td>$585,937</td>
<td>$585,937</td>
<td>$585,937</td>
</tr>
<tr>
<td>1980</td>
<td>$585,937</td>
<td>$292,968</td>
<td>$292,968</td>
<td>$292,968</td>
</tr>
<tr>
<td>1979</td>
<td>$292,968</td>
<td>$146,484</td>
<td>$146,484</td>
<td>$146,484</td>
</tr>
<tr>
<td>1978</td>
<td>$146,484</td>
<td>$73,242</td>
<td>$73,242</td>
<td>$73,242</td>
</tr>
<tr>
<td>1977</td>
<td>$73,242</td>
<td>$36,621</td>
<td>$36,621</td>
<td>$36,621</td>
</tr>
<tr>
<td>1976</td>
<td>$36,621</td>
<td>$18,311</td>
<td>$18,311</td>
<td>$18,311</td>
</tr>
<tr>
<td>1975</td>
<td>$18,311</td>
<td>$9,156</td>
<td>$9,156</td>
<td>$9,156</td>
</tr>
<tr>
<td>1974</td>
<td>$9,156</td>
<td>$4,578</td>
<td>$4,578</td>
<td>$4,578</td>
</tr>
<tr>
<td>1973</td>
<td>$4,578</td>
<td>$2,289</td>
<td>$2,289</td>
<td>$2,289</td>
</tr>
<tr>
<td>1972</td>
<td>$2,289</td>
<td>$1,144</td>
<td>$1,144</td>
<td>$1,144</td>
</tr>
<tr>
<td>1971</td>
<td>$1,144</td>
<td>$572</td>
<td>$572</td>
<td>$572</td>
</tr>
<tr>
<td>1970</td>
<td>$572</td>
<td>$286</td>
<td>$286</td>
<td>$286</td>
</tr>
<tr>
<td>1969</td>
<td>$286</td>
<td>$143</td>
<td>$143</td>
<td>$143</td>
</tr>
<tr>
<td>1968</td>
<td>$143</td>
<td>$71.5</td>
<td>$71.5</td>
<td>$71.5</td>
</tr>
<tr>
<td>1967</td>
<td>$71.5</td>
<td>$35.8</td>
<td>$35.8</td>
<td>$35.8</td>
</tr>
<tr>
<td>1966</td>
<td>$35.8</td>
<td>$17.9</td>
<td>$17.9</td>
<td>$17.9</td>
</tr>
<tr>
<td>1965</td>
<td>$17.9</td>
<td>$8.95</td>
<td>$8.95</td>
<td>$8.95</td>
</tr>
<tr>
<td>1964</td>
<td>$8.95</td>
<td>$4.475</td>
<td>$4.475</td>
<td>$4.475</td>
</tr>
<tr>
<td>1963</td>
<td>$4.475</td>
<td>$2.2375</td>
<td>$2.2375</td>
<td>$2.2375</td>
</tr>
<tr>
<td>1962</td>
<td>$2.2375</td>
<td>$1.11875</td>
<td>$1.11875</td>
<td>$1.11875</td>
</tr>
<tr>
<td>1961</td>
<td>$1.11875</td>
<td>$0.559375</td>
<td>$0.559375</td>
<td>$0.559375</td>
</tr>
<tr>
<td>1960</td>
<td>$0.559375</td>
<td>$0.2796875</td>
<td>$0.2796875</td>
<td>$0.2796875</td>
</tr>
</tbody>
</table>

### Natural Resources and Environment
- **1993:** $3,100,000,000
- **1992:** $2,100,000,000
- **1991:** $1,000,000,000
- **1990:** $600,000,000
- **1989:** $300,000,000
- **1988:** $150,000,000
- **1987:** $75,000,000
- **1986:** $37,500,000
- **1985:** $18,750,000
- **1984:** $9,375,000
- **1983:** $4,687,500
- **1982:** $2,343,750
- **1981:** $1,171,875
- **1980:** $585,937
- **1979:** $292,964
- **1978:** $146,482
- **1977:** $73,242
- **1976:** $36,621
- **1975:** $18,311
- **1974:** $9,156
- **1973:** $4,578
- **1972:** $2,289
- **1971:** $1,144
- **1970:** $572
- **1969:** $286
- **1968:** $143
- **1967:** $71.5
- **1966:** $35.8
- **1965:** $17.9
- **1964:** $8.95
- **1963:** $4.475
- **1962:** $2.2375
- **1961:** $1.11875
- **1960:** $0.559375

### Agriculture
- **1993:** $3,100,000,000
- **1992:** $2,100,000,000
- **1991:** $1,000,000,000
- **1990:** $600,000,000
- **1989:** $300,000,000
- **1988:** $150,000,000
- **1987:** $75,000,000
- **1986:** $37,500,000
- **1985:** $18,750,000
- **1984:** $9,375,000
- **1983:** $4,687,500
- **1982:** $2,343,750
- **1981:** $1,171,875
- **1980:** $585,937
- **1979:** $292,964
- **1978:** $146,482
- **1977:** $73,242
- **1976:** $36,621
- **1975:** $18,311
- **1974:** $9,156
- **1973:** $4,578
- **1972:** $2,289
- **1971:** $1,144
- **1970:** $572
- **1969:** $286
- **1968:** $143
- **1967:** $71.5
- **1966:** $35.8
- **1965:** $17.9
- **1964:** $8.95
- **1963:** $4.475
- **1962:** $2.2375
- **1961:** $1.11875
- **1960:** $0.559375
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Medical Insurance Trust Fund:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>(B) Outlays, $171,700,000,000.</td>
</tr>
<tr>
<td>1994</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>1995</td>
<td>(D) New primary loan guarantee commitments, $500,000,000.00.</td>
</tr>
<tr>
<td>1996</td>
<td>(A) New budget authority, $212,900,000,000.</td>
</tr>
<tr>
<td>1997</td>
<td>(B) Outlays, $216,700,000,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 1996:</td>
<td>(A) New budget authority, $222,500,000,000.</td>
</tr>
<tr>
<td>Fiscal year 1997:</td>
<td>(B) Outlays, $229,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 1998:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 1999:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2000:</td>
<td>(A) New budget authority, $239,900,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2001:</td>
<td>(B) Outlays, $237,600,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2002:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2003:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2004:</td>
<td>(A) New budget authority, $250,000,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2005:</td>
<td>(B) Outlays, $281,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2006:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2007:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2008:</td>
<td>(A) New budget authority, $330,000,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2009:</td>
<td>(B) Outlays, $31,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2010:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2011:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2012:</td>
<td>(A) New budget authority, $34,800,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2013:</td>
<td>(B) Outlays, $32,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2014:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2015:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2016:</td>
<td>(A) New budget authority, $38,800,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2017:</td>
<td>(B) Outlays, $38,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2018:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2019:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2020:</td>
<td>(A) New budget authority, $43,800,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2021:</td>
<td>(B) Outlays, $40,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2022:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2023:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2024:</td>
<td>(A) New budget authority, $48,800,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2025:</td>
<td>(B) Outlays, $46,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2026:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2027:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New direct loan obligations, $0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2028:</td>
<td>(A) New budget authority, $54,800,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2029:</td>
<td>(B) Outlays, $52,700,000,000.</td>
</tr>
<tr>
<td>Fiscal year 2030:</td>
<td>(C) New direct loan obligations, $0.</td>
</tr>
<tr>
<td>Fiscal year 2031:</td>
<td>(D) New primary loan guarantee commitments, $0.</td>
</tr>
</tbody>
</table>
(A) New budget authority, $289,300,000,000.
(B) Outlays, $291,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $271,800,000,000.
(B) Outlays, $271,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

For purposes of section 719 of the Social Security Act, Net Interest (900):

Fiscal year 1994:
(A) New budget authority, $250,700,000,000.
(B) Outlays, $250,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $31,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $30,600,000,000.
(B) Outlays, $315,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1995:
(A) New budget authority, $250,700,000,000.
(B) Outlays, $250,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(1) Energy and Natural Resources shall report changes in laws within its jurisdiction sufficient to reduce outlays: $37,556,000,000 in fiscal year 1994; and $37,556,000,000 for the period of fiscal years 1995 through 1998.

(2) The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction sufficient to reduce outlays: $17,000,000,000 in fiscal year 1994; and $7,605,000,000 for the period of fiscal years 1995 through 1998.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(4) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $17,000,000,000 in fiscal year 1994; and $7,605,000,000 for the period of fiscal years 1995 through 1998.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(6) The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $17,000,000,000 in fiscal year 1994; and $7,605,000,000 for the period of fiscal years 1995 through 1998.

(7) The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $13,000,000,000 in fiscal year 1994; and $1,254,000,000 for the period of fiscal years 1994 through 1998.

(8) The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $2,453,000,000 in fiscal year 1994; and $37,556,000,000 for the period of fiscal years 1995 through 1998.

(9) The Senate Committee on Governmental Affairs.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $16,504,000,000 in fiscal year 1994; and $10,294,000,000 for the period of fiscal years 1994 through 1998.

(10) The Senate Committee on the Judiciary.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $307,500,000,000 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.
to reduce outlays: $0 in fiscal year 1994; and $345,000,000 for the period of fiscal years 1994 through 1998.

(10) COMMITTEE ON LABOR AND HUMAN RESOURCES.—(A) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $66,000,000 in fiscal year 1994; and $6,697,000,000 for the period of fiscal years 1994 through 1998.

(B) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(11) COMMITTEE ON SMALL BUSINESS.—The Senate Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(12) COMMITTEE ON VETERANS’ AFFAIRS.—The Senate Committee on Veterans’ Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $250,000,000 in fiscal year 1994; and $2,580,000,000 for the period of fiscal years 1994 through 1998.

(13) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $68,000,000 in fiscal year 1994; and $2,576,000,000 for the period of fiscal years 1994 through 1998.

(14) COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS.—(A) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $232,000,000 in fiscal year 1994; and $1,415,000,000 for the period of fiscal years 1994 through 1998.

(B) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(15) COMMITTEE ON EDUCATION AND LABOR.—The House Committee on Education and Labor shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $66,000,000 in fiscal year 1994; and $6,697,000,000 for the period of fiscal years 1994 through 1998.

(16) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $1,886,000,000 in fiscal year 1994; and $16,210,000,000 for the period of fiscal years 1994 through 1998.

(17) COMMITTEE ON GOVERNMENT OPERATIONS.—The House Committee on Government Operations shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $693,000,000 for the period of fiscal years 1994 through 1998.

(18) COMMITTEE ON INTERIOR AND INSULAR AFFAIRS.—The House Committee on Interior and Insular Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $110,000,000 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(19) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $345,000,000 for the period of fiscal years 1994 through 1998.

(20) COMMITTEE ON VETERANS’ AFFAIRS.—(A) DEFENSE.—The House Committee on Veterans’ Affairs shall report changes in laws within its jurisdiction sufficient to reduce outlays: $0 in the period of fiscal years 1994 through 1998.

(b) DEFENSE.—Notwithstanding any other provision of this resolution, for the purpose of allocations and points of order under sections 302 and 311 of the Congressional Budget Act of 1974, the levels of social security outlays and revenues for this resolution shall be the current service levels.
(1) all applicable estimates of direct spending and receipts legislation applicable to that fiscal year, other than any amounts resulting from-
(A) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991 and (B) emergency provisions as designated under section 252(e) of that Act; and (C) the amount of savings in direct spending programs applicable to that fiscal year resulting from the prior year’s net deficit increase in the fiscal year immediately preceding the prior fiscal year.

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

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

(f) Determination of budget levels.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate, on the Committee on the Budget of the House of Representatives, as the case may be.

(g) Exercise of rulemaking powers.—Congress adopts the provisions of this section—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent, as in the case of any other rule of such House.

SEC. 9. SENSE OF THE CONGRESS ON A MANDATORY C国有企业-

(a) It is the Sense of the Congress that legislation shall be enacted that—

(1) caps the growth of mandatory spending for all programs except Social Security at a level that allows for beneficiary and inflation growth;

(2) prohibits, through a super-majority point of order, the consideration of congressional budget resolutions or direct spending legislation that would cause the mandatory cap to be exceeded; and

(3) provides processes, including reconciliation and sequestration procedures, to provide for orderly restraint in mandatory spending growth except Social Security if such spending exceeds the cap.

(b) It is the Sense of the Congress that the conference report on this concurrent resolution on the budget should—

(1) include spending limits on aggregate mandatory spending excluding Social Security, at levels that allow for inflation and beneficiary growth;

(2) include spending limits on defense and non-defense discretionary spending for fiscal years 1994 through 1998; and

(3) include reconciliation instructions to restrain mandatory spending growth to meet the mandatory cap.

SEC. 10. SENSE OF THE CONGRESS ON PAYING FOR THE STIMULUS PACKAGE

It is the Sense of the Congress that the budget effects of the President’s economic stimulus package should not be offset by sequestration from the Congressional budget process and that if such legislation is enacted it should abide by "pay-as-you-go" and not cause an increase in the deficit.

SEC. 11. SENSE OF THE CONGRESS ON A BALANCED BUDGET

It is the Sense of the Congress that the budget should be balanced and that legislation should be adopted mandating a balanced budget.

SEC. 12. SENSE OF THE CONGRESS ON BUDGET ENFORCEMENT

It is the Sense of the Congress that budget enforcement procedures should be enacted including:

(a) individual statutory caps on defense and non-defense discretionary spending enforced by points of order and sequester orders;

(b) pay-as-you-go discipline for mandatory spending programs enforced by super-majority points of order and sequester orders; and

(c) fixed statutory maximum deficit amounts that are enforced by super-majority points of order and sequester orders.

DANFORTH AMENDMENT NO. 259

(Ordered to lie on the table.)

Mr. DANFORTH submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the concurrent resolution, insert the following:

"An economic program that does not control the growth of entitlements cannot strengthen our economy."

KERREY AMENDMENT NO. 260

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place, insert the following new section:

SEC. 13. SENSE OF SENATE REGARDING ADDITIONAL REDUCTIONS IN AGRICULTURAL SPENDING

(1) Sense of Senate.—It is the sense of the Senate that any further reductions in agricultural spending required under this resolution be accomplished by increasing the prices that producers receive for their commodities in the marketplace rather than by making additional reductions in farm price support payment rates.

MURKOWSKI AMENDMENT NO. 261

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, decrease the amount on line 18, by $45,000,000.

On page 2, decrease the amount on line 19, by $30,000,000.

On page 3, decrease the amount on line 2, by $134,000,000.

On page 3, decrease the amount on line 4, by $134,000,000.

On page 3, decrease the amount on line 6, by $134,000,000.

On page 3, decrease the amount on line 10, by $45,000,000.

On page 3, decrease the amount on line 11, by $134,000,000.

On page 3, decrease the amount on line 12, by $134,000,000.

On page 3, decrease the amount on line 13, by $134,000,000.

On page 3, decrease the amount on line 14, by $134,000,000.

On page 4, decrease the amount on line 6, by $134,000,000.

On page 4, decrease the amount on line 7, by $90,000,000.

On page 4, decrease the amount on line 8, by $134,000,000.

On page 4, decrease the amount on line 9, by $134,000,000.

On page 4, decrease the amount on line 10, by $90,000,000.

On page 4, decrease the amount on line 11, by $134,000,000.

On page 4, decrease the amount on line 12, by $45,000,000.

On page 4, decrease the amount on line 16, by $90,000,000.

On page 4, decrease the amount on line 17, by $134,000,000.

On page 4, decrease the amount on line 18, by $134,000,000.

On page 4, decrease the amount on line 19, by $134,000,000.

On page 5, decrease the amount on line 1, by $45,000,000.

On page 5, decrease the amount on line 2, by $134,000,000.

On page 5, decrease the amount on line 3, by $134,000,000.

On page 5, decrease the amount on line 4, by $134,000,000.

On page 5, decrease the amount on line 5, by $134,000,000.

On page 5, decrease the amount on line 6, by $90,000,000.

On page 5, decrease the amount on line 7, by $134,000,000.

On page 5, decrease the amount on line 8, by $134,000,000.

On page 5, decrease the amount on line 9, by $134,000,000.

On page 5, decrease the amount on line 10, by $134,000,000.

On page 5, decrease the amount on line 11, by $45,000,000.

On page 5, decrease the amount on line 12, by $90,000,000.

On page 5, decrease the amount on line 13, by $134,000,000.

On page 5, decrease the amount on line 14, by $134,000,000.

On page 5, decrease the amount on line 15, by $134,000,000.

On page 5, decrease the amount on line 16, by $134,000,000.

On page 5, decrease the amount on line 17, by $134,000,000.

On page 5, decrease the amount on line 18, by $134,000,000.

On page 5, decrease the amount on line 19, by $134,000,000.

On page 6, decrease the amount on line 23, by $90,000,000.

On page 6, decrease the amount on line 24, by $134,000,000.

On page 6, decrease the amount on line 25, by $134,000,000.

On page 6, decrease the amount on line 1, by $134,000,000.

On page 6, decrease the amount on line 7, by $45,000,000.

On page 6, decrease the amount on line 8, by $134,000,000.

On page 6, decrease the amount on line 9, by $134,000,000.

On page 6, decrease the amount on line 10, by $134,000,000.

On page 6, decrease the amount on line 11, by $134,000,000.

On page 6, decrease the amount on line 12, by $134,000,000.
SASSER (AND OTHERS) AMENDMENT NO. 262

Mr. SASSER (for himself and Mr. ROCKEFELLER) proposed to the concurrent resolution (S Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following:

SEC. 1. REDUCING FEDERAL HEALTH CARE COSTS THROUGH COMPREHENSIVE HEALTH CARE REFORM.

It is the sense of the Senate that—
(1) the vast majority of rising mandatory program costs is due to increasing federal health care costs, and these costs are assumed in the levels set forth in this resolution;
(2) health care reform is essential to curb the escalating costs of health entitlement programs to reduce the deficit;
(3) the introduction in health costs in this budget resolution should be augmented by further savings in federal health outlays as a part of comprehensive health care reform which will be reflected in future budget resolutions; and
(4) comprehensive health reform will result in long term savings both for the public and private sectors of the American economy, and reduce the deficit levels set forth in this resolution at an ever increasing pace.

NUNN (AND OTHERS) AMENDMENT NO. 263

Mr. NUNN (for himself, Mr. DOMENICI, Mr. ROBB, Mr. DANFORTH, Mr. KERREY, Mrs. KASSEBAUM, Mr. BOND, Mr. COHEN, Mr. PACKWOOD, Mr. COVERDELL, and Mr. THURMOND) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

Strike all that occurs beginning on page 5 line 1 and ending on page 45 line 23 and insert in lieu thereof the following:

Fiscal year 1994: $1,221,700,000,000.
Fiscal year 1995: $1,350,100,000,000.
Fiscal year 1996: $1,234,000,000,000.
Fiscal year 1997: $1,257,000,000,000.
Fiscal year 1998: $1,268,600,000,000.

FISCAL YEAR 1994:

(A) New budget authority, $263,500,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

FISCAL YEAR 1995:

(A) New budget authority, $262,600,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

FISCAL YEAR 1996:

(A) New budget authority, $261,700,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

FISCAL YEAR 1997:

(A) New budget authority, $260,800,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

FISCAL YEAR 1998:

(A) New budget authority, $259,900,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $0.
### Fiscal Year 1997

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Budget Authority</th>
<th>Outlays</th>
<th>Direct Loan Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Science, Space, and Technology</td>
<td>$18,400,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Natural Resources and Environment</td>
<td>$5,100,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$100,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Community and Regional Development</td>
<td>$47,000,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Fiscal Year 1998

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Budget Authority</th>
<th>Outlays</th>
<th>Direct Loan Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Science, Space, and Technology</td>
<td>$18,500,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Natural Resources and Environment</td>
<td>$5,400,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$100,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Community and Regional Development</td>
<td>$47,300,000,000</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
### Congressional Record—Senate

**March 24, 1993**

A) New budget authority, $3,700,000,000.
B) Outlays, $3,700,000,000.
C) New direct loan obligations, $2,100,000,000.
D) New primary loan guarantee commitments, $2,100,000,000.

**Fiscal year 1996:**

(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,000,000,000.
(C) New direct loan obligations, $166,000,000.
(D) New primary loan guarantee commitments, $166,000,000.

**Fiscal year 1995:**

(A) New budget authority, $181,600,000,000.
(B) Outlays, $175,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1994:**

(A) New budget authority, $217,800,000,000.
(B) Outlays, $213,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1993:**

(A) New budget authority, $281,800,000,000.
(B) Outlays, $275,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1992:**

(A) New budget authority, $331,200,000,000.
(B) Outlays, $325,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1991:**

(A) New budget authority, $382,600,000,000.
(B) Outlays, $376,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1990:**

(A) New budget authority, $333,800,000,000.
(B) Outlays, $328,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1989:**

(A) New budget authority, $389,000,000,000.
(B) Outlays, $384,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.

**Fiscal year 1988:**

(A) New budget authority, $221,800,000,000.
(B) Outlays, $216,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $500,000,000.
(B) Outlays, $35,000,000,000.
(C) New direct loan obligations, $10,000,000,000.
(D) New primary loan guarantee commitments, $20,400,000,000.
(17) Administration of Justice (750):
Fiscal year 1994:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Government (500):
Fiscal year 1994:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1994: $297,500,000,000.
Fiscal year 1995: $298,900,000,000.
Fiscal year 1996: $300,300,000,000.
Fiscal year 1997: $302,900,000,000.
Fiscal year 1998: $304,000,000,000.
(22) Allowances (200): Fiscal year 1998:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(23) Undistributed Offsetting Receipts (950):
Fiscal year 1994:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(24) For purposes of section 710 of the Social Security Act, Unified Budget:
Fiscal year 1998:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
SEC. 6A. SENSE OF THE SENATE ON CONTROLLING MANDATORY SPENDING.
It is the sense of the Senate that the Congress should enact a cap on the growth of mandatory spending programs that—
(1) is enacted this year and takes effect beginning in fiscal year 1996;
(2) includes spending limits on mandatory spending programs, excluding Social Security at levels that allow for increases in inflation plus increases in case load plus an additional allowance of 1 percent in fiscal year 1996, 1 percent in fiscal year 1997, an 8 percent in fiscal year 1998 and all subsequent years;
(3) prohibits, through a super-majority point of order, the consideration of concurrent budget resolutions or direct spending legislation that would cause the mandatory cap to be exceeded;
CONGRESSIONAL RECORD—SENATE

March 24, 1993

(4) provides processes, including reconciliation and sequestration procedures, to provide for the orderly enforcement of the mandatory cap if spending for a mandatory program exceeds the cap; and

(5) Provides a period of not less than 60 days before such sequestration for committees of the House and the Senate with jurisdiction over mandatory programs which are determined to be exceeding these allowable spending levels to report legislation that reduces direct spending in their jurisdiction by an amount sufficient to eliminate the excess spending.

(6) Ensures that reductions in federal spending for mandatory programs required by such legislation is not to be achieved by shifting costs to state and local governments.

BRADLEY (AND HOLLINGS)

AMENDMENT NO. 264

(Ordered to lie on the table.)

Mr. BRADLEY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, add the following new section:

SEC. Sens uses. Sense of the Senate regarding Line Item Veto authority including Appropriations and Expenditures.

It is the Sense of the Senate that the President should be granted line-item veto authority over items of appropriation and tax expenditures. The line item authority should provide that:

(1) Each item of appropriation or each tax expenditure should be separately enrolled for presentment to the President; and

(2) The new authority would expire at the conclusion of the 103d Congress.

PRESSLER (AND OTHERS)

AMENDMENT NO. 265

(Ordered to lie on the table.)

Mr. PRESSLER (for himself and Mr. GRASSLEY) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following:

SECOND ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that funding to reduce the number of defense civilian, active duty and reserve military personnel from being released into the unemployment lines, and funding for WIC, Head Start, Maternal and Child Health, and humanitarian aid will be increased by amounts made available by requiring U.S. flag companies to offer world competitive bids in order to carry preference cargoes.

CAMEIRON PARISH LANDS CONVEYANCE ACT

JOHNSTON AMENDMENTS NOS. 267 AND 268

Mr. MITCHELL (for Mr. JOHNSTON) proposed two amendments to the bill (S. 433) to authorize and direct the Secretary of the Interior to convey certain lands in Cameron Parish, LA, and for other purposes, as follows:

AMENDMENT NO. 267

On page 3, line 23, strike "141.4 acres" and insert in lieu thereof, "162.36 acres".

AMENDMENT NO. 268

On page 4, line 2, strike "February," and insert in lieu thereof, "March,"

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, March 24, 1993, at 11:30 a.m. to hold a nomination hearing on Joan Spero to be Under Secretary of State for Economic and Agricultural Affairs.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, March 24, at 11:30 a.m. to hold a nomination hearing on Harriet Babbit to be Ambassador to the OAS.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 24, at 11:30 a.m. to hold a nomination hearing on Presso to be Under Secretary of State for Economic and Agricultural Affairs.

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

COMMITTEE ON VETERANS’ AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans’ Affairs would like to request unanimous consent to hold a hearing on S. 616, the Compensation COLA bill, and oversight of VA claims processing and adjudication at 1:00 p.m. on Wednesday, March 24, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

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

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, March 24, 1993, at 9:30 a.m., in open/closed session, to receive testimony regarding the international security environment.

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

COMMITTEE ON NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Natural Resources be authorized to meet on Wednesday, March 24, 1993, at 9:30 a.m., to hold a hearing on the following new section:

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Natural Resources be authorized to meet on Wednesday, March 24, 1993, at 9:30 a.m., to hold a hearing on the following new section:

SEC. Sense of the Senate regarding Line Item Veto authority including Appropriations and Expenditures.

It is the Sense of the Senate that the President should be granted line-item veto authority over items of appropriation and tax expenditures. The line item authority should provide that:

(1) Each item of appropriation or each tax expenditure should be separately enrolled for presentment to the President; and

(2) The new authority would expire at the conclusion of the 103d Congress.

PRESSLER (AND OTHERS)

AMENDMENT NO. 266

(Ordered to lie on the table.)

Mr. PRESSLER (for himself and Mr. GRASSLEY) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following:

SECOND ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that funding to reduce the number of defense civilian, active duty and reserve military personnel from being released into the unemployment lines, and funding for WIC, Head Start, Maternal and Child Health, and humanitarian aid will be increased by amounts made available by requiring U.S. flag companies to offer world competitive bids in order to carry preference cargoes.
ADDITIONAL STATEMENTS

REV. JAMES PARIS WILSON

Mr. RIEGLE. Mr. President, today I rise to honor Rev. James Paris Wilson, an outstanding spiritual and community leader who has made significant contributions to his hometown of Saginaw as well as to the State of Michigan.

Reverend Wilson began serving as pastor of Mount Olive Baptist Church in Saginaw in October 1956. As pastor of one of Saginaw's most renowned churches, he has ministered to thousands of individuals and families. Under his leadership, Mount Olive Baptist Church has seen three major renovations which improved the facility to better serve, not only the congregation, but the community as well.

As a prominent member of the religious community, Reverend Wilson has been most generous with his time, giving to causes and endeavors which mirror his strong religious beliefs. Reverend Wilson organized the Saginaw Valley Baptist District Association and has served as its moderator for over 30 years. Reverend Wilson also served as president of the Wolverine State Baptist Convention. During his 20 years of service, the convention purchased and established its first headquarters building in Saginaw.

As a citizen concerned with the well-being of others, Reverend Wilson also served as president of the Saginaw City Council. During his political career he was known as a voice for the voiceless and a committed advocate for the poor, senior citizens, and the disenfranchised.

Mr. President, Reverend Wilson's commitment to his parishioners and his community should be an example to us all. He has shown remarkable courage and dedication throughout his ministry. I would like to join Reverend Wilson's family and friends in thanking him for his service and wishing him well in his retirement.

ST. ROCCO PARISH 90TH ANNIVERSARY

Mr. PELL. Mr. President, this year of 1993 marks the 90th anniversary of St. Rocco Parish in Johnston, RI. More than 6,000 parishioners will be celebrating this important landmark in a growing tradition of faith and community.

The crowning event of the anniversary will be a Solemn Mass celebrated by His Excellency Bishop Louis E. Gelineau, Bishop of Providence, on Sunday, April 25, 1993, at 4 p.m.

St. Rocco Parish was established in 1909 by the Scalabrinian Fathers, also known as Missionary Fathers of Our Lady of Italy and Charles Borromeo, to serve the Catholic Italian immigrants living in the Thornton, Knightville, and Silver Lake neighborhoods.

The founder and first pastor of St. Rocco Parish was Father Domenico Bellottini, C.S. The original St. Rocco Church was built on Clemence Street in the Thornton section of Cranston and was dedicated in 1903.

Land for a new church was purchased on Atwood Avenue in Johnston in 1938 under the guidance of Father Bartolomeo Marenchino, C.S. The Missionary Sisters of the Sacred Heart began to serve the parish community in 1942.

Under the guidance of Father Angelo Susin, C.S., the new church was built and dedicated in 1951. St. Rocco School was built in 1963 and now has an enrollment of 320 children from pre-K to Grade 8, staffed by the Missionary Sisters of the Sacred Heart.

St. Rocco Parish Community now includes about 3,000 members. A list of some of the parish societies includes just how much the parish has grown and how active the community has become.

Parish societies include: Holy Name Society, St. Rocco Women's Guild, St. Vincent DePaul Society, Legion of Mary, CYO Youth Group, Boy Scouts, Girl Scouts, Cub Scouts and Brownies, Prayer Group, Altar Boy Group, and St. Rocco School PTG.

I am confident that I speak for all Rhode Islanders who have been touched by its good works, when I say we join in thanks and heartfelt wishes for the continued growth and success of St. Rocco Parish.

DEATH OF ELLEN ABRAMS

Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to Ellen Abrams, a wonderful person and a truly outstanding journalist from Connecticut who, tragically, was killed last week while jogging near her home.

Ellen Abrams reported for WTNH-TV for the past 7 years, and worked for WVIT-TV, the Connecticut Radio Network and WCXN radio before that. As a Senator and, before that, as attorney general of Connecticut, I got to know Ellen very well, and I can tell you that she was one of the best. She was a real professional, dedicated to her craft and to the public interest. She was also a warm and genuine human being who was a pleasure to work with, even while she was asking the tough questions.

Despite being in a profession where people often move all around the country, in the words of our former Governor, Ella Grasso, Ellen Abrams blossomed where she was planted—in Connecticut. She grew up in West Hartford and attended the Loomis-Chaffee School in Windsor. After attending Washington University and Trinity College, she set out on a career that was always on an upward path. Ellen's talent cut through the clutter of a competitive environment and she became a success by virtue of that ability and her own hard work. At WTNH, she developed special expertise covering crime and the criminal justice system, for which she received critical acclaim, including a regional Emmy nomination, for her series on the prison system in Connecticut.

My heart and prayers go out to Ellen's family, including her husband, Peter Darby, her sister, and her mother. We will all miss her very much. In her time on Earth, she really made a difference in the lives of many people, and she enriched her profession and our State by her presence.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt—run up by the U.S. Congress—stood at $4,218,250,912,999.50 as of the close of business on Monday, March 22. Nobody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayer's money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstep of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it is really a form of thievery. Averaged out on a per capita basis, every man, woman, and child in America owes $15,422.44—thanks to the big spenders in Congress for the past half century. The interest payments on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay the interest. I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, woman, and child in America owes $15,422.44—thanks to the big spenders in Congress for the past half century. The interest payments on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay the interest. I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.
ENFORCEMENT OF THE NO-FLY ZONE OVER BOSNIA

Mr. WARNER. Mr. President, I rise today to speak about an issue that has been of great concern to me for the past several months. As the turmoil in Bosnia and Herzegovina, and how the United States should, or should not, respond.

On numerous occasions I have addressed this body to express my serious reservations about the involvement of U.S. military personnel in the continuing conflict in that nation.

Now another decision is reported to be in the making by the U.N. which will involve the United States. As the U.N. Security Council is considering a resolution calling for the enforcement of the no-fly zone over Bosnia, I express now my concerns with the United States becoming involved in this enforcement action.

Mr. President, at my specific request, the chairman of both the Senate Armed Services Committee and the Senate Select Intelligence Committee conducted hearings and briefings within the past few weeks to receive testimony from the intelligence community and the Department of Defense on the situation in the former Yugoslavia and the various military and political options available. I urge my colleagues to carefully review the transcripts from these sessions which, in my opinion, contain very valuable information and judgments which Senators should consider before deciding to support the use of U.S. military force in this conflict.

Only one of the three briefings and hearings on this subject was conducted in open session. I am now asking the chairmen of the Armed Services Committee and the Intelligence Committee to request the respective agencies, which sent witnesses, to declassify as much of the testimony as possible from the two closed sessions.

My remarks today draw from the testimony in open session conducted by the Armed Services Committee on January 29—testimony which reinforced my belief that there is little to be gained from a military perspective for the international community to proceed with enforcing the no-fly zone. In fact, testimony from witnesses from the Joint Chiefs of Staff revealed this interest—that is, the turmoil—contrary to popular belief, most of the violations of the no-fly zone over the past several months have been by Croatian military aircraft, not Serbian. Further, from an operational viewpoint, U.N. aircraft attempting to enforce a no-fly zone would have great difficulty distinguishing between the aircraft of the various factions.

Those who argue that enforcement of the no-fly zone will deter or detract from the ability of Serbian forces to continue fighting may be in for a surprise if these current patterns of flight activity continue. An enforcement resolution could well result in the shooting down of more Croatian planes than Serbian planes.

The witnesses at that Armed Services hearing were Lt. Gen. Martin Brandtner, USMC, director for operations for the JCS; and Rear Adm. Mike Cramer, USN, the director for JCS support, DIA—the top intelligence officer for the Chairman of the Joint Chiefs of Staff.

Admiral Cramer was asked directly—"even if the coalition were to completely enforce the no-fly zone, with no planes violating, wouldn’t this mean that it would not make an appreciable military difference?" Admiral Cramer’s response was—"Yes, sir, that is correct." When asked to elaborate on his remarks later in the hearing, Admiral Cramer stated—"It (enforcement of a no-fly zone) is not a significant contributor to what really the Bosnian Serbs are able to do on the ground with artillery and other means."

Given the important opinions expressed by experts entrusted to know, why are we pushing forward in the United Nations for this military option and putting at risk our military personnel? If we go forward and participate, pursuant to a U.N. mandate, and the missions fail to achieve any measurable military objective—as predicted by the Department of Defense witnesses—what do we then say to the world by way of explanation? Also, why are we almost certain to increase the risk to our military personnel than in the airdrop mission, I urge the administration to initiate a consultation process prior to a final decision.

VERMONT LAW SCHOOL

Mr. JEFFORDS. Mr. President, I rise today to briefly commend the Vermont Law School. For the last 3 years, Vermont Law School has been ranked No. 1 for environmental law, according to U.S. News and World Report. Vermont, long known for its regard for the environment, is helping to promote environmental protection nationwide by providing the best training to future environmental lawyers of this country. Three years as the best school is a tremendous accomplishment and I commend the administrators, faculty, and students for their accomplishment.

CAMERON PARISH CONVEYANCE ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 32, S. 433, Cameron Parish land conveyance bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 433) to authorize and direct the Secretary of the Interior to convey certain lands in Cameron Parish, LA. for the last 3 years, Vermont Law School has been ranked No. 1 for environmental law, according to U.S. News and World Report. Vermont, long known for its regard for the environment, is helping to promote environmental protection nationwide by providing the best training to future environmental lawyers of this country. Three years as the best school is a tremendous accomplishment and I commend the administrators, faculty, and students for their accomplishment.

AMENDMENTS NOS. 267 AND 268

Mr. MITCHELL. On behalf of Senator JOHNSTON, I send two amendments to the desk and ask for their immediate consideration en bloc.

The PRESIDING OFFICER. The clerk will report the amendments en bloc.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. JOHNSTON, proposes amendments en bloc numbered 267 and 268.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT No. 267
On page 3, line 23, strike "141.4 acres" and insert in lieu thereof, "162.36 acres".

AMENDMENT No. 268
On page 4, line 2, strike "February," and insert in lieu thereof, "March."

The PRESIDING OFFICER. The question is on agreeing to the amendments.
The amendments (Nos. 267 and 268) were agreed to.

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

Mr. MITCHELL. Mr. President, in behalf of myself and the distinguished Republican leader, Senator DOLE, I move to the desk a resolution on authorization of the production of Senate records and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 82) to authorize the production of records by the Committee on Governmental Affairs.

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

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

Mr. MITCHELL. Mr. President, the Department of Justice has requested access to documents from the Committee on Governmental Affairs relating to its review into management practices at the National Archives and Records Administration. The Committee's investigation and report documented serious management problems at the National Archives and referred the matter to appropriate executive branch agencies for review.

In connection with a review that it has initiated in response to the Committee's referral, the Department of Justice is seeking records of testimony and exhibits received by the committee in this matter. Consistent with the Senate's customary practice, this resolution would authorize the chairman and ranking minority member of the committee to provide to the Department records of the committee's investigation into management practices at the National Archives.

The PRESIDING OFFICER. Without objection, the resolution (S. Res. 82) and its preamble are considered and agreed to, as follows:

S. Res. 82

WHEREAS, the Committee on Governmental Affairs has conducted an investigation as part of the inquiry resulting from the Committee's referral:

WHEREAS, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate; and

WHEREAS, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore,

Resolved, That the Chairman and Ranking Minority Member of the Committee on Governmental Affairs, acting jointly, are authorized to provide to the Department of Justice records of testimony and exhibits received by the Committee in its investigation of management problems at the National Archives and Records Administration, except for materials for which a privilege should be asserted.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. on today, Thursday, March 24; that following the prayer, the Journal of the proceedings be deemed approved to date; that at 9:25 a.m. the Senate resume consideration of Senate Concurrent Resolution 18, the budget resolution; that when the Senate resumes consideration of the budget resolution, the only amendments remaining in order to the resolution be the following first-degree amendments with no second-degree amendments in order thereto:

An amendment by Senator BRADLEY, No. 264; an amendment by Senator BROWN, No. 208; an amendment by Senator KEMPTHORNE, No. 195; and amendment by Senator COHEN, No. 200; an amendment by Senator GRAMM of Texas, No. 246; an amendment by Senator BOND, No. 253; an amendment by Senator SPECTER, No. 250; an amendment by Senator MIKULSKI, No. 206; an amendment by Senator CRAIG, No. 223; an amendment by Senator DANFORTH, No. 259; an amendment by Senator D'AMATO, No. 248; an amendment by Senator BROWN, No. 247; an amendment by Senator SPECTER, No. 238; an amendment by Senator COHEN, No. 239; an amendment by Senator WALLOP, No. 241.

I further ask unanimous consent that the amendments be considered in the order as listed and any votes with respect to any of the listed amendments following the first vote be for a maximum of 15 minutes only; further, that if the listed amendments have not been disposed of prior to 12 noon on Thursday, March 24, then they no longer be in order; that at 12 noon, the Senate vote on any pending amendment, and that the previous unanimous-consent
agreement regarding the disposition of the budget resolution remain in effect.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, for the information of Senators, let me summarize what will occur as a result of this agreement.

The Senate will resume consideration of this resolution at 9:25 a.m. this morning at which time there will be a vote on the Bradley amendment. That vote will be pursuant to our regular procedures which will be for 15 minutes plus a maximum extension of 5 minutes for a total time of up to 20 minutes on the first vote.

Thereafter, it will be in order for Senators to offer the amendments as listed, and each vote on subsequent amendments, and that would be beginning with the Brown Amendment No. 208, will be for a maximum of 15 minutes; that at 12 noon, the Senate will complete action on whatever amendment is pending and no further amendments will thereafter be in order. So if an amendment on this list has not been called up by 12 noon it will not be in order. And pursuant to the previous agreement, the Senate will then, after disposing of the last pending amendment, as of 12 noon, proceed to final passage of the budget resolution and then to consideration of the supplemental appropriations bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDERED FURTHER. That adoption of the House Concurrent Resolution 64, after the Senate language, as amended, has been substituted in lieu thereof, be no later than 12 noon on Thursday, March 25, 1993.

ORDERED FURTHER. That upon the disposition of the House budget resolution, the Senate insist on its amendment, request a conference with the House on disagreeing votes of the two Houses, that the Chair be authorized to appoint conferees, and the Senate companion be returned to the Calendar.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94-118, appoints the Senator from Alaska [Mr. MURKOWSKI] to the Japan-United States Friendship Commission.

RECESS UNTIL 9:25 A.M. THURSDAY

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess, as under the previous order, until 9:25 a.m.

There being no objection, the Senate, at 12:42 a.m., recessed until Thursday, March 25, 1993, at 9:25 a.m.