someone advised the Democrats that there is a political benefit to be gained from trying to block the unfunded mandates legislation, congressional accountability legislation, and the balanced budget amendment, or any one of a host of measures so eagerly awaited by the American public? If my Democratic friends wish to be shown to be on the wrong side of those issues, while at the same time pretending to support them, by all means I would hope they would be my guest because I will enjoy watching it.

I feel many of those measures are going to pass anyway because of the overwhelming support they enjoy from the American public and the majority in both Chambers. Many are going to pass.

I must say it astonishes me—and somewhat amuses me and bemuses me greatly—that somehow the opposing party has found someone who is willing and who is telling them to be seen as a party of trying to delay this train, to continue to support endless Federal mandates on States, counties, localities—and that means local taxpayers. We all know the saying: Lead, follow, or get out of the way. The Democrats seem to want to add a fourth option—lie down on the tracks.

I actually read in the paper the other day that the Democrats were considering making a court challenge to the rule recently passed in the House requiring a supermajority to raise taxes. Now there is a political masterstroke. Sue the Representatives and the American public in order to be able to raise their taxes. How stunningly brilliant that is.

So let me just close by thanking my colleagues on the other side of the aisle for tactics employed this week and last on the unfunded mandates legislation for a piece of legislation that has been requested by most thoughtful people who administer local government. I think it makes me even more certain that the Republicans will enjoy a majority for many years to come.

I thank the Chair.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

UNFUNDED MANDATE REFORM ACT

The Senate continued with the consideration of the bill.

Mr. GLENN. Mr. President, I have to rise to comment on the statements just made by my distinguished colleague from Wyoming.

I think we need to review what has happened here. This revisionist view that was just expressed of what happened last year, and what so far has occurred this year, is a little strange to me having lived through last year and what has happened this year.

You know, we voted it out of committee. I was chairman of the Governmental Affairs Committee last year. We voted out in August the unfunded mandates legislation. Senator Mitchell wanted to bring it to the floor. We tried to bring it to the floor. There was so much delay, I think we had 20 some cloture votes filed against the Republicans last fall. It was a scorched-earth policy and they were taking great pride—some, not all—on the other side. Some absorbed what was going on to their credit. But on the other side there was a scorched-earth policy of, ''Don't let anything get through.'' And we found objection and all sorts of procedural matters being brought up just to delay, to delay. To say now that after November 8 there is some great mandate that says that we move forward on all these things that we considered last year and wanted to bring up and could not because of the Republican filibusters on the floor of the U.S. Senate, and now to blame us for not getting these things through, is about as clearly a revisionist view of what happened last fall as anything could be.

The statement was made that the Democrats enjoy this kind of delay, and we are putting through what was referred to as CYA amendments. And I think we all know on the floor what that means. Those are not my words. Those are the words of the Senator from Wyoming.

No one enjoys delaying anything on our side that I know of around here because most of the people on our side of the aisle are in favor of the unfunded mandates legislation. We just want to see it go through in a form that it can be administered and be good.

It was said that we put out our press releases on this thing, and talked about how we ignored completely the fact; that the reason we did not have congressional coverage legislation last year and unfunded mandates last year was somehow the fault of Democrats. Nothing could be further from the truth. We had them on the calendar ready to be brought up. That is fact. That is not a revisionist view of what happened last year.

Now somehow my colleague from Wyoming indicates that the Republicans are trying to force this and the Democrats are opposing it as though the Democrats were not for it last year, and we were being opposed by the Republicans last year.

He talks about Democratic gridlock of the past. He says that November 8 brought all of this home, that all the chickens came home to roost. Why bring up this litany? Well, he said the situation of the past week where the Democrats were somehow—and I think I wrote down the words correctly—were trying to continue their policy of being ''overlords'' of years past. Those are harsh words. And the ''stonewalling''—that is another word—''stonewalling'' of the Democrats, and that the majority would eventually prevail; and that the Democrats seem to think with their gurus that there is some political benefit to blocking unfunded mandates.

Mr. President, those remarks are about as ridiculous as I can think of here after we tried last year to get congressional coverage and get unfunded mandates through and were blocked repeatedly because of procedural steps taken on the Republican side to block us even from consideration. We did not have time to consider unfunded mandates. We brought them out of committee in August.

There were statements about we were trying to delay their train. No. That is not true. Let me just recount for the record so we get the facts straight. S. 993 was introduced last year in the Senate. That is what we were trying to get through. After the November 8 election it was felt that the House was probably going to come up with a stiffer, tougher bill than S. 993, although all parties, including the big seven of State, county and, local officials—the big seven different groups, as they are called—were in favor of S. 993 last year, and we had some 67 cosponsors. We could have passed it, just like that, if we had not had the delay occasioned by the Republican's scorched-earth, do-not-let-anything-go-through policy of last fall. We could have gotten it through last fall.

But what happened then after the election this year? I will tell you what happened after the election this year. They said the House is going to come up with a tougher bill and we had better move our bill here to make it a little bit tougher so that perhaps the Senate bill can prevail, something the whole Congress can get behind and get passed because we need to deal with unfunded mandates. So I did not fight that. Our staffs all worked together and came up with some new proposals here, and there are some tougher mandates here. Maybe we have gone a little far in some of the consideration of our people that were one or more of the 67 cosponsors of last year. But we came up there with a new bill, S. 1.

(Mr. THOMAS assumed the chair.)

Mr. GLENN. Senator DOLE, the majority leader, went before the Governors Association and said he thought this was important enough that he would make it S. 1, the prime bill before the Senate, to be brought up as the first bill this year. I agreed with that. I have been an advocate of correcting this unfunded mandates problem for a long time. We worked on this for the better part of 2 years with my distinguished colleague from Idaho, Senator KEMPTHORNE, the floor manager on the other side. I did not quarrel with that. But now we are being blamed somehow for not going ahead with this. That is just not right.

But what happened this year? Let us follow this thing through. Because of the priority accorded this legislation, it was referred to committee on the following timetable: Voted off the Senate floor to committee; sent to committee. It was introduced on the floor one day, and sent immediately to committee with a hearing to occur the following day, with the agreement that the markup on the bill would occur the next day—one, two, three; introduction, committee hearing, committee markup. Just like that, and bring it back to the floor in short order.

Now what happened? We got it over and had the markup, and a lot of people had some legitimate concerns about some of the things that had been put into the bill when it became S. 1 this year—using the basis of S. 993, but going beyond that. There were concerns about this. So I requested that the committee markup not be done, as I recall, on a Friday. We asked that this be put off over the weekend so people could find out what the changes were; so we would know what we were voting on. This was not going to be a rubber stamp. There was no mandate that came out of the November election that said we now have to approve everything the Republicans now suggest because they are in the majority. We wanted to know what the changes were and let everyone else know what the changes were. That was the purpose of asking that this be put off over the weekend.

So it was put off over the weekend. We had the markup on Monday. Then what happened? We went to the committee and we had a number of substantive changes—these were not frivolous or delaying items at all. They were amendments that we had prepared. I had some and Senator LEVIN, in particular, who did a real analysis of this legislation, had substantive amendments about how specific parts of this bill would be applied. He wanted to clarify some of those things. Do you know what happened in committee? In committee, we were not even permitted to bring up our amendments. We requested to bring up amendments and were told, "No, leadership wants this back up on the floor right away and any amendments will be dealt with on the floor." We thought this was not the way to go. We objected and we had some rollcall votes on different substantive things. These were not delay items, they were substantive items to be brought up in committee.

On a straight party-line vote, it was said, no; we cannot consider those things. Those will be considered on the floor. We were voted down on a party line basis. We got rolled on every single one of them. Then it was stated, "We are going to send this to the floor without a committee report." The importance of a committee report—if anybody has ever read through one of these bills with the technical language, the whereases and therefores, and everything that makes it conform to the whole United States Code, to the average layman, it is virtually unintelligible, and to a lot of Senators, too.

So what do we have? Normally, as a requirement, we have a committee report, and it is carefully written. It explains in layman's language, going through each section of the proposed legislation, exactly what it means, giving the pros and cons on it so every Member and staff member working on a particular piece of legislation, when it comes to the floor, will be able at that point to have an understanding of what the legislation provides.

By and large, we rely on those committee reports. That is the importance of them. We objected to sending the legislation to the floor from the Governmental Affairs Committee without the committee report being filed. In fact, we thought it was important enough that after some discussion of it, and we were still being denied that right, it was brought up where we finally insisted on a record rollcall vote on it, and, once again, we got rolled—still with the provision that we could bring up anything we wanted on the floor. So over our objection, it was voted out.

I understand that our committee chairman, Senator ROTH, was under considerable pressure from leadership to bring this to the floor that day, no matter what. I appreciate his position on that. Let me just say this. I have been around the Senate now for over 20 years, and I was chairman of the committee 8 years. Never in the 8 years I was chairman did I ever have our majority leader say: I want you to roll this through committee no matter what, and bring it out to the floor without a report on any piece of legislation.

Occasionally, we sent legislation from the Governmental Affairs Committee to the floor without a report, but only with the agreement of the minority, and then usually only on bills that were comparatively innocuous and not major pieces of legislation, as this is.

This is landmark legislation. This changes the way we have operated for 60 years and starts moving things back in a different direction, to a different Federal responsibility, a different relationship, Federal, State, and local. That is the reason I call this landmark legislation. It makes the first steps—it is the first major piece of legislation that makes steps in that direction.

What happened? We got to the floor, the bill is called up, and all at once there is a move to try to curtail amendments, keep them to a minimum, saying "We have to get this through; we have to beat the House," as though this was a legislative drag race, and more important than the substance of this legislation.

I predicted in committee before this was voted out—first, I will give a little bit of background. Usually, in committee, you try to take care of all of the substantive amendments anybody has and they are focused on that piece of legislation. Usually, you do not have a lot of extraneous amendments come up in committee because people are focused on that piece of legislation. We were not permitted to do that this time around. Then when a bill comes to the floor, if it has had all that kind of due consideration in committee, what happens on the floor? Then you are on good grounds to say we have dealt with the substantive matters as we see it in committee, and we brought this out as a pretty good, clean bill.

If somebody really has something that deals with substance, let us consider it. But other than that, we are going to try to defeat other amendments that can be put on in the State, extraneous amendments that can be put in, because the Senate has no germaneness rules, unless we are under cloture or for certain applications on certain appropriations bills. But we are going to say that—we will try to say, OK; whichever side of the aisle puts on extraneous amendments, we have dealt substantively with this in committee, and so we are going to oppose all those, no matter how meritorious they might be on their own freestanding bill, if it was put in as such. We are going to oppose it in legislation on the floor.

I predicted in committee that if we brought this bill out without the substantive amendments being taken care of in committee, this bill—I think my words in committee were that this bill was going to draw amendments like flies to honey. And it sure has. We got to the floor—and I think it is important that everybody understand this so the remarks of the Senator from Wyoming of a few minutes ago are understood. His revisionist view of what happens does not square with the facts.

We got to the floor and what happened? Senator BYRD objected to the fact that we had not had the committee report. I indicated the importance of that a few moments ago for legislation like this, which is landmark legislation. Senator BYRD very properly objected. He said that this was important legislation, he wanted to see the committee report. When could we have that committee report available?

That is what the debate was about, for about 2 days here. The debate was not about the substance of whether unfunded mandates problems should be corrected or not corrected. The debate was about the procedure that was used in bringing this to the floor and whether we should have a report so all Members would have the benefit of the thinking of committee members and would be permitted to put minority views in that committee report.

Now, in committee they said that they would put the committee report in the CONGRESSIONAL RECORD. We said, "What about the minority views that usually goes along with it?" They said, "You could also put those in the CONGRESSIONAL RECORD if you wanted." That is a very, very poor substitute for our normal procedures here. That is exactly what Senator BYRD disagreed with and what we fussed about back and forth on the floor here for 2 days.

At the end of that time was when the majority leader decided that he felt that there was delay on this and he filed a cloture motion. What did that do? What did that do? Just as I predicted in committee, it flushed out more amendments than anybody thought. Why? Because if your amendment is going to be considered and cloture is going to be voted, your amendment has to be filed at the desk before cloture is invoked.

And do you know what happened? We had 117 amendments—117 amendments—put forward to try to beat that cloture deadline, largely because of the procedure that had been used up to that time. Now that really threw things in a cocked hat.

I did not know where we were going at that time, because I knew that the Republicans—and both sides knew this—did not have the votes for cloture; did not have the votes for cloture. Did this mean, then, without having the votes for cloture with 117 amendments, was this going to kill our consideration of unfunded mandates? I did not know whether it would or not.

It was in that context that I mentioned to my distinguished colleague from Idaho, who has been on this for a long, long time—and he and I have dealt very straightforwardly with each other on this—I mentioned to him, if things really got bogged down—and it was bogged down over the lack of a committee report and the fact we did have all the new provisions in S. 1 that had not been in S. 993—that this was going to delay things and it looked like we might not get it through the Congress at all—and I think it is important we are getting legislation through the Congress; I reiterate that I support this legislation, fought for it as chairman of the committee, brought it out of the committee last fall as S. 993—I suggested to my colleague from Idaho that if push came to shove and it looked like we were not going to get cloture and it was going to be a long stalemate on this and maybe even have to pull the whole thing down eventually, we might want to consider dropping back to S. 993 so we get something through. I think it is important we do that.

And while the big seven that I referred to a little while ago certainly does want S. 1 more than they wanted S. 993 last fall—they were happy with that; now that they have gotten more, the chance of getting more, they are very much enamored of S. 1. I understand that—any drop back in that position to S. 993 would have been something that they would abhor.

I mention this only in the context of where we were in the legislative process at that time, with the possibility that there was going to be an inability of the Republicans to invoke cloture, which requires 60 votes, and they only had 53 for sure and what they could peel off on our side. But that meant they had to get another seven votes off the Democratic side and they could not do that, at least not in the early round on this. If it meant this was going to be delayed too much, then we were going to have to consider what we would do. Would we pull down S. 1, as I saw a possibility of at that time, and go back to passing something which everyone thought was adequate last fall, although they liked the additional provisions of S. 1 now? That was the context of where I talked to my distinguished colleague from Idaho about that possibility.

The cloture vote was held. Cloture was not invoked. And so here we are, with all of the delay of the past week, with nothing having really substantively happened on this legislation.

Meanwhile, while all this was going on, we did have a group meeting, both sides trying to define what amendments were important, which ones were not, who really wanted to put their amendments in or who had put in frivolous amendments of the 117 that we had submitted at the time before the cloture vote. Fortunately, that group finally made some progress on this. And so, after the Republican side did not invoke cloture, we fell back to what was reality, I guess, and said, ''OK, we will now try to get a unanimous-consent agreement that only about 60 of those ones that people said yes, they really wanted to put them in, only about 60 of these would be eligible to be placed in consideration as amendments on this legislation.''

Meanwhile, we had gone through on the floor, during another 2 days or 2½ days, we had worked our way through a number of amendments. But the way those had been structured, they had been submitted as second-degree amendments by the parliamentary situation we were in at that time, so before we went to this unanimous-consent agreement, Senator DOLE moved to strike through a series of five amendments that he proposed. We went through the stripping of everything we had done there. And that was probably the best thing to do. I do not quarrel with that.

So now we start over with this finite list of amendments that can be considered, and those are all to be submitted by 3 o'clock tomorrow afternoon.

Now, today, we can get on with these amendments. We can debate amendments today, but no votes will occur before 4 o'clock today.

Why do I go into all this detail? It is beginning to get a little aggravating. I do not normally get up and gripe back and forth. I usually stay out of these back-biting things, where these inflammatory words are used here. And I think my record on the Senate floor would show that I only rarely get up and try to respond when some of these things are said. I leave it to other people who sort of enjoy getting locked into that kind of verbal combat, I guess, for whatever partisan purposes it may provide on either side of the aisle.

But for my distinguished colleague to come in this morning and talk about us opposing this legislation when we tried to get it out last fall and were blocked by the Republicans; tried very hard to get it out. I was still trying down to the last 2 days of the session last year to get it out on a unanimous-consent request and could not do it. We had objections on both sides. The final objection did fall on the Democratic side, let us be fair about this.

But the reason we got down to even considering it on a UC basis was because there had been this scorched-earth, do-not-let-anything-through policy on the other side that had prevented consideration of a lot of bills, of which this and the congressional coverage bill were two.

To come on the floor and say that we are creating gridlock on the Democratic side and say that we are using tactics we used when we were ''overlords of years past'' and to talk about the Democrats stonewalling this legislation is about the biggest revisionist view of history that I can think of.

That there are political beliefs being pushed for unfunded mandates by our political gurus, our advisers, somehow advising us in this area that we are trying to delay—''trying to delay this train'' was another quote—that just is not true.

The reason I have taken this time to lay out what happened on this bill is because I think it is important that everyone know exactly what has happened. This is not a filibuster of S. 1 this year. The filibuster, if there has been anything to be construed as a filibuster on the floor of the Senate this year, is objections to the ramrod procedures that were used to roll the minority in committee and not even permit a regular committee report to be sent to the floor with this legislation. Now, that was flat wrong. I have never seen that done. I have been here 20 years. I have never seen that done before on any committee I have been on where at the specific request of the minority, even a record rollcall vote that the minority requested, to try to say a report will accompany this legislation, did I ever, ever, hear the majority say, ''No, it has to go. We cannot have a committee report. We will just put something in the CONGRESSIONAL RECORD. If we want minority views they can be put in the RECORD. This is such a fast track we have to bypass everything. We are in a legislative race with the House of Representatives so we do not get behind the people in the House somehow.

If this was some little innocuous bill that made no difference whether it passed or not or of very little importance, I would not think it is worthy of even standing up to correct the statements made on the floor a little while ago that I am responding to.

This is not that kind of legislation. The days when I was growing up, days of the Great Depression, were tough days. Okies headed west. People headed for soup kitchens and so on. There was unemployment of over 20 percent for 4 years, 25 percent for 1 year. They were tough days.

Families had taken care of families up until that time, a Norman Rockwell type of existence. In the days of the depression, people could not do that anymore. People were hungry. There were soup kitchens. People were moving out of whole sections of the country because communities and States could no longer take care of their own and do it in an adequate fashion. Either could not or would not. What has happened? The New Deal came in. FHA was put in. There were a lot of programs. I will not try to detail all of those.

Starting with that premise—that States and local communities were unable to take care of their own—was the premise of the New Deal, and it moved into a whole new area of Federal activity.

Now, have some of the programs over the last 60 years built up and gone too far? I would be the first to say that certainly we should correct those. There is a move now to go back to let the States take over a lot of these things that the Federal Government has been doing. I think that is OK in some areas but not completely. I would not agree with all of it. We need to do this carefully to make sure that the social safety net that has been put together over the last 60 years and that people have come to depend on, we can say rightly or wrongly, depending on Democrat or Republican view, if that social safety net is just thrown out and we let some States take up these services and some States not, that will deal very unfairly with millions of Americans.

Now, I am all for unfunded mandates legislation. I support it. I supported S. 993 last year and am a cosponsor of S. 1 this year. Do we need to consider it carefully? Yes, we absolutely do, to make sure that we do not do some damage while we are trying to do good and prevent these unjustified mandates. Many of them are being just heaped upon the States, heaped upon the States, at the same time, over the past 5 or 6 years, that we have been cutting down on some of the programs—community development block grants, things like that. We have been cutting down on programs that have sent much money back to help the States.

So we have to do this very carefully. And to think that somehow the minority is going to roll over and play dead and say, ''Yes, whatever you want to do we will do it,'' without consideration of important pieces of legislation, important amendments to correct some of these matters.

Let me just very briefly—and I know I am taking a long time and people are waiting—but let me just say this. Senator BYRD wants to have an amendment, which was listed the other day, which would say, basically, that as part of this bill where we say to an agency if the emergency is not there but there is less money available, the agency, then, can bring this up or can somehow judge how the money will be spent and so on.

In other words, the question he raises is a good one. I am in support of S. 1. I repeat that again. What he raises is a question: Are we passing our legislative authority over to unnamed bureaucrats over there; and what guarantee do we have that they will not go too far with them. That is just one.

I have a series of some of the things that were left out with regard to color and age discrimination. That was one. Another as to when the point of order would lie. Are we going to permit it on every single amendment? Are we going to have a point of order lie to begin with or at the end of the amending process before final passage of whatever the legislation is?

There is some uncertainty as to who would determine applicability where we have a judgment is something a mandate or not. Is that justified by the way the bill provides now with the presiding officer—for example, meaning the Parliamentarian—who would determine what a mandate is, or should that be by the Governmental Affairs Committee? We have an amendment on that. That is substantive.

We have some that would clarify the differentiation between what would apply in a public sector—that is, governments—as opposed to what would apply in the private sector at the same time. We have another one that would clarify that where a bill is reauthorized from a past provision of law, a bill comes up at the end of its time to be reauthorized—as the bill is now, it is not clear enough; it says that this could not be challenged if it is over $50 million. We clarify that the $50 million would only apply if a reauthorization went $50 million beyond its previous requirements, which makes it compatible with the rest of the bill.

Senator LEVIN has some amendments. He wants to propose that this is important legislation, maybe we ought to sunset it so we are forced to reconsider the implementation at the end of a certain time period. He would have another one that, if a committee determines that there is a significant competitive disadvantage to the private sector—for instance, where there are competing electric generating plants between the government and private sectors—should we clarify whether we are beginning to have to move in and subsidize a requirement on the public sector and not do the same thing on the private sector, which would give a major advantage in some areas of light generation, sewer provision, water, whatever, where there are competitive interests between public and private businesses. I think that should be corrected also.

We have a number of others here. I will not go through the rest of them. I want to show that these are substantive.

Now, some put in over on the Republican side deal with judicial review, when there is any question about a particular provision of the bill, if a person could file suit in Federal court right off the bat. Can we figure any way to possibly bring the Government to a halt faster than that? By allowing everybody that disagreed with a particular item to say, ''We will file suit.'' What is substantive is the point I am making. I do not want to argue the merits. It is substantive. That would be proposed by Senator BROWN, I believe.

Motor-voter has been brought up again as a cost to the States. We will have to go through motor-voter. Is that substantive? It certainly is.

Impact analysis for independent agencies by Senator DOMENICI would ensure analysis for impacts included for certain independent regulatory agencies as FCC, FERC, FTC, and the Interstate Commerce Commission.

One on our list at this point that Senator GRAMM may bring up is an amendment requiring three-fifths of the Senate, making it much more difficult to waive a point of order and get on with consideration of a certain bill.

CBO estimates on conference reports would be required by another amendment.

Senator GRASSLEY has one that is on our list, at this point at least, and I do not know whether he intends to push it, which would extend application of the act to past and current mandates. I do not know, if we went back on all previous Federal mandates without some limitation, I do not know how many trillion dollars that might involve. That is an amendment and it certainly is substantive.

I will not go on with these. There are a number of others like this. The point I want to make by listing just some of these is that these are very substantive amendments. They are things that are important to iron out so that this landmark legislation, when it is enacted—I hope it will be enacted—is done with all the best thinking of the Senate and the House of Representatives so it can be as workable as possible, can be used for, really, changing the direction of the relationship between the Federal, State, and local governments.

Now, Mr. President, there are some others that I could list here also, but I will not go through them. That is the reason I wanted to go through this and explain exactly what happened and how we got to where we are. And the fact of the argument so far, the debate back and forth, has been about 90 percent on consideration of procedure and whether we are adequately protecting everyone who might want to make substantive changes to this piece of legislation, changes that might be very valuable and be good and that all the big seven and everybody can agree with are good.

And so being prevented from doing that in committee and the attempt made here to push very rapidly once we got to the floor, that has been the heart of the debate so far. That has been the disagreement so far.

So when I hear words that the Democrats are the ones delaying—it is Democratic gridlock; it is just Democrats trying to be ''overlords of years past,'' we are trying to stonewall—nothing could be further from the truth. I do not care how many statements are made on the floor to that effect.

The statements that were made previously which triggered my response here just were flat not true. I know from my personal experience in caucuses on this side, what happened in committee last year, and having been in committee this year where this big, unnecessary push was made to push this stuff through too fast. We need to consider this. It is very, very important legislation. I yield the floor.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Thank you, Mr. President.

Mr. President, I have listened to what my friend from Ohio has said. I listened to what my friend from Wyoming had said. I just go back to what I am trying to say, and that is, just as one of the critical elements of the Senate bill before us, S. 1, is the fact that it is not retroactive. I hope that we will refrain from being retroactive on the history of what may or may not have happened with this bill, that bill, what this side did, what that side did.

One of the benefits of S. 1 is the fact that there are 63 Senators who sponsor this bill. I am proud to be a primary sponsor, but I would not be here if I had not had the tremendous assistance of the Senator from Ohio, and I would not be here if we did not have, during the recess, the great assistance of Senator ROTH, Senator DOMENICI, and Senator EXON. Just in naming those individuals, I think we all realize it is bipartisan. So here is an opportunity for this new Congress to take up this vehicle which has been developed in a bipartisan fashion. It is what our partners in the State and local and tribal governments have said they want. It is what the private sector says they want.

So I ask all—and I am speaking to my side also—let us start looking forward and not backward so that we can move this. I am committed to the passage of S. 1, and I appreciate what the Senator from Ohio said as to why he was discussing S. 993. But I think we all agree that is not an option at this point.

This is the legislation for this Congress to consider, to pass, and we will take what time is necessary through the amendment process to perfect this so that a majority of Senators will know that this is exactly what should come out of this body.

UNANIMOUS-CONSENT REQUEST

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that there be 30 minutes for debate on the pending amendment, to be equally divided in the usual form; and that no amendments be in order prior to the disposition of the pending amendment; and that following the conclusion, or yielding back of time, the Senate proceed to vote on or in relation to the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GLENN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho retains the floor.

Mr. KEMPTHORNE. Was a question put to me?

Mr. REID. I was just attempting to seek recognition.

Mr. KEMPTHORNE. Mr. President, I should point out that apparently there has been an agreement that there will be no votes until 4 p.m. tomorrow, so that any votes that we establish will have to be after 4 o'clock tomorrow.

Mr. GLENN. The 4 o'clock limitation was 4 o'clock today, was it not?

The PRESIDING OFFICER. Under the previous order, the 4 o'clock applies to tomorrow.

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

Mr. REID. Will the Senator withhold?

The PRESIDING OFFICER. Will the Senator withhold?

Mr. GLENN. I withhold.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I wonder if I could go ahead with my statement and they can work out the problem.

Mr. GLENN. That will be agreeable to the Senator from Ohio and the Senator from Idaho with the provision the Senator's remarks not be in the middle of our conversation about when the votes are going to occur.

Mr. REID. My remarks are on the amendment that is pending.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I am in support of the legislation now before this body. I listened closely to what the Senator from Ohio and the Senator from Idaho said, and I agree. This is bipartisan legislation. I not only appreciate what the Senator from Idaho said, but the manner in which he said it: That this legislation is sponsored by a majority of the U.S. Senate and, as a result of that, the legislation should pass.

But one reason it will pass is that there is ample opportunity for amendment, and that is what is now going on. There are amendments pending. The amendment that is now before this body asks that the Mandate Commission analyze the costs associated with mandating States convert to the use of metric measurements. It does not prohibit the metric system or our efforts to convert to the metric system. It simply recognizes that these efforts cost money and this cost is often borne by State and local governments. This amendment requires the Mandate Commission examine these costs and report on their amounts.

The reasons I support this legislation are myriad. But one main reason why I support this legislation is that I have worked for a number of years, going back to 1992, with Senator NICKLES, from Oklahoma, on legislation that would require that when bills come before this body, there would have to be a cost estimate as to how much this legislation would cost.

In addition to that, Mr. President, Senator NICKLES and I would have required that before regulations were promulgated by a Federal agency, they would have to affix the cost to that regulation. That seemed reasonable. Senator NICKLES and I worked on this for a number of years. In fact, it passed this body last year and was killed during the conference aspects of the legislation. The previous year, it almost passed.

The legislation that Senator NICKLES and I sponsored would have required the General Accounting Office to do the things I mentioned: Report on costs to consumers and business, impact on national employment, ability of U.S. industries to compete internationally, cost to State and local governments, cost to the Federal Government, and impact on gross domestic product.

So the unfunded mandate issue has been approached in a number of different ways. The way that Senator NICKLES and I approached the legislation was a way of handling the congressional mandate issue. This legislation, S. 1, is a more direct method, which I support.

However, I believe that the amendment process is going to make this a better piece of legislation.

The amendment that is now before this body dealing with the metric system is highly pertinent to this legislation. When Federal regulators say to State and local governments, "You utilize the metric system," they are saying a lot, because without question, Mr. President, that is an unfunded mandate.

What costs must the State of Wyoming bear as a result of changing all the road signs? It is a cost. The State of Nevada has the same problem, and every other State. Federal regulators may impose this requirement for the most well-intentioned reasons, but it can cost States a significant amount of money to comply. We must recognize the significance of requiring adherence to this new form of measurement and recognize that there are increased costs associated this transition.

Are the costs necessary? That is what we are saying. These costs ought not be shifted to State and local governments, and that is where the cost is now being shifted.

While the amendment does not address this, maybe they really ought not to be borne by private contractors also who do business with the Federal Government. And they also will have to bear this burden.

The amendment now before this body that is pending would remedy this cost shifting by establishing a 2-year moratorium on any Federal entity requiring State or local governments to use the metric system of measurement. It would allow agencies to continue pending projects if suspension of the requirement would result in a significant increase in costs.

This amendment, like the underlying legislation, is really about unforeseen costs. It is about the unforeseen costs associated with the implementation of legislation that, if passed, would really be burdensome. And there may be some meritorious reason for the underlying mandate—unfunded, I might add, requiring the metric system conversion—there may be some meritorious reasons for that, but should we not know the costs before we decide the merits of that issue? Under this legislation that is now before this body, there is a mandate commission which will study these types of costs and we will better understand them in the future. Under the amendment now before this body, the Commission will be required to study the costs associated with the Federal Government's mandating the use of metric measurements.

Metric conversion is costing my State money. If the Federal Government provides highway funds to Nevada, it can require that all work be performed in conformity with metric requirements. I think that is a waste of money. It require metric measurements regardless of the costs borne to carry out this mandate.

We are building a new courthouse in Reno, NV. I think it would have been a shame, as will be the requirement in the courthouse we are going to build in Las Vegas, that they submit their bids using metric measurements. The Las Vegas courthouse will require that. The Reno courthouse that is now under construction did not require the contractors to submit bids using metric measurements.

Mr. President, not only would this cost additional money for Nevada and the city of Las Vegas and the city of Reno, but it would also cost money to the local contractors. Indeed, this type of mandating needlessly drives up costs of construction and frustration of the people seeking these contracts. For these contractors that are unable to convert, too bad; their bids are deemed unacceptable because they do not employ a measuring system which they were never taught or never knew would be required in the first place.

The State of Nevada and its cities are already suffering from the imposition of costly unfunded mandates. And one reason I support this legislation is because I hear from so many Nevadans about these costs. Look, for example, to a small entity like Carson City, NV. According to Price Waterhouse, the cost of Federal mandates for the fiscal year 1993 is over $4 million; for north Las Vegas, NV, about $1.5 million for 1993. These costs have consequences because State and local governments are required to pay for them. Other programs, local in nature, are basically laid aside because the money has to be spent on the mandate. There is a limited amount of money to go around, and therefore there are a limited number of projects they can undertake—worthwhile projects.

Requiring metric conversion is just an added unfunded mandate. In north Las Vegas, the money that was spent in 1993 for unfunded mandates could be used to hire additional police to operate a safety key program for children. That is one of the things they want but have not the money to do; to improve and enhance maintenance of the waste water treatment system in north Las Vegas; provide additional parks or renovation of parks, maybe even hire some people to make sure the parks are being operated correctly and are safe.

We could go on and on with the list of things that have not been done as a result of the unfunded mandate money that had to be spent. Why should we add the metric system conversion as another unfunded mandate? Because that is what it is. If it is important enough to do the unfunded mandate after the studies we require in the amendment, then we will go ahead and do it. We can balance whether or not we need additional police, more public works inspectors, improvement in our parks, all these things, or we could waive those. But if left unchanged, these costs simply will be used for things that the local governments feel are unnecessary.

So, Mr. President, I congratulate and applaud my friend from North Dakota for his wisdom in being the author of this amendment. As soon as it was mentioned to me, I knew it was something I wanted to get involved in because it is the right thing to do. This is what unfunded mandates are all about. We have identified an unfunded mandate. Why not examine the costs of this mandate?

AMENDMENT NO. 180, AS MODIFIED

Mr. DORGAN. Mr. President, I appreciate very much the support of my friend from Nevada, Senator REID. Again, to restate it in one sentence, I am not opposed to the metric system. I am opposed to the Federal Government imposing mandates across this country on the metric system in a way that does not make any common sense. I guarantee you, without some intervention from this Congress in the past, we would already have had road signs replaced all across this country that tell people how many kilometers it is to the next rest stop because that is where the bureaucracy goes with a mandate.

My only point is that I do not think we ought to spend taxpayers' money pushing a mandate that makes no sense. If the private sector wants to use the metric system to compete in the European countries or wherever, fine. That is what they are doing; that is what the market system would direct them to do. I do not want us to spend precious taxpayers' money doing things that do not make common sense, and that is the concern I have about the current mandate conversion act.

Now, Mr. President, I visited with the Senator from Idaho, and I think the Senator from Ohio also understands—I visited with him as well—I am willing to modify the amendment in a manner that I think is acceptable to the Senator from Idaho and the Senator from Ohio. I would like, if appropriate at this time, to say that my modification is at the desk and ask the desk to report the modification of my amendment.

The PRESIDING OFFICER. The Senator has a right to modify it. If there is no objection, the clerk will read the modification.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 180, as modified.

Mr. DORGAN. I ask unanimous consent the modification be considered as read.

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

The amendment, as modified, is as follows:

On page 41, between lines 2 and 3, insert the following:

(4) TREATMENT OF REQUIREMENTS FOR METRIC SYSTEMS OF MEASUREMENT.—

(A) TREATMENT.—For purposes of paragraphs (1) and (2), the Commission shall consider requirements for metric systems of measurement to be Federal mandates.

(B) DEFINITION.—In this paragraph, the term "requirements for metric systems of measurement" means requirements of the departments, agencies, and other entities of the Federal Government that State, local, and tribal governments utilize metric systems of measurement.

Mr. DORGAN. Mr. President, I will simply observe that what I have done with this modification is removed the moratorium portion of the amendment but retained the portion of the amendment that will require the Commission on Unfunded Mandates to give us the information in the 2-year study of these costs so the next time we come with this kind of amendment, we have the data necessary to support it.

I do not expect to cease and desist in my efforts to prevent the Federal Government from leading in a direction that I think is unwise. I admit, and I think others admit, we do not know what this costs. That is the point of it. Retaining that portion of the amendment will require the study be done to give us the information so that we do know what it will cost, and in 2 years I hope we can come back and squash the requirement that exists for the Government to want to do things that are unreasonable.

I might also say, in the middle of all this, we will intend once again to prohibit DOT from doing anything that spends the taxpayers' money to convert road signs in the meanwhile. So with that, I ask that the two managers of the bill support this modification.

Mr. GLENN. Mr. President, I compliment my friend for moving in this direction. I think this makes a lot of sense. Since there are a lot of questions about this, to do a study of it I think is fine.

I would like to clarify in the legislative history here on the floor, though, as to whether it is the Senator's intent that the study being done will include the estimated costs? After all, that is what this bill deals with and unless the costs were going to be above $50 million it would not be a threshold item for this particular item.

Mr. DORGAN. That is my intention.

Mr. GLENN. In the remainder of the legislation, outside the part that was stricken, I do not see any specific reference to costs. It said it will consider requirements for a metric system of measurement to be Federal mandates. I would like the legislative history to show that would include in this study that will come back to us an estimate, if at all possible, of the costs to the Federal, State, local, and tribal governments.

Mr. DORGAN. Mr. President, it is written in a manner designed to overcome any problems that would have been imposed by the threshold of the bill. This would require the Commission to study it irrespective of the threshold.

Mr. GLENN. But I ask my colleague, is it his understanding this would include an estimate of the cost of executing this Federal mandate?

Mr. DORGAN. That is the purpose of it. That is correct.

Mr. GLENN. That is fine. I am willing to accept it.

Mr. KEMPTHORNE. Mr. President, I want to commend the Senator from North Dakota because, again, as I listened to the points he has raised, this is exactly why we need to have a bill like S. 1. I listened to my friend from Nevada, and I will have to paraphrase, but very close to this: Senator REID said that there may be merit to this unfunded Federal mandate, but should we not know the cost before we implement it? And he is absolutely right.

That is why with S. 1, once it is enacted, we are going to have that process so Congress will know the cost, any adverse impact to the competitive balance between the public and private sector, before we cast our votes.

Again, I appreciate what they have said. I think they are helping us to lay out the fact that there is a need and the fact, too, that S. 1 fills that need.

So I am happy to accept the amendment as modified from the Senator from North Dakota, and thank him for his amendment.

Mrs. KASSEBAUM. Mr. President, I rise today in support of Senator DORGAN's amendment, which seeks to address burdensome metric mandates. As my colleague from North Dakota has stated, metric requirements impose serious burdens on State, local, and tribal governments and offer a perfect example of the careless practice that the underlying legislation seeks to address.

I became involved in the metric debate during the last Congress, when I introduced legislation that would have prohibited Federal agencies from requiring State and local governments to convert highway signs to metric units. At that time, the Federal Highway Administration was considering plans which would have, in effect, forced financially strapped State and local governments to cancel or postpone highway and infrastructure improvements in favor of metric sign conversion.

Literally thousands of Kansans contacted me to protest this unnecessary and costly change and to ask why we in Washington write laws and then pass the costs along to State and local governments. Fortunately, their opposition and our efforts in Congress were successful in convincing the Federal Highway Administration to abandon its plans for metric sign conversion.

While I was pleased with that decision, I remain concerned about the prospect of similar metric mandates and believe that we must act to ensure that their effect on State, local, and tribal governments is fully understood. This amendment would accomplish that goal, and I urge my colleagues to adopt it.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 180), as modified, was agreed to.

Mr. KEMPTHORNE. Mr. President, I would also like to note Senator KASSEBAUM, I know, has an interest in this issue. So we would like to certainly note that. And, too, in S. 1, there will be a process, the ACIR, which will look at existing mandates such as this mandate. So again we have laid out a process that I think will be effective.

I yield the floor.

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

Mr. DORGAN. 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 North Dakota.

AMENDMENT NO. 178

(Purpose: To require the Board of Governors of the Federal Reserve System to submit a report to the Congress and to the President each time the Board of Governors of the Federal Reserve System or the Federal Open Market Committee takes any action changing the discount rate, the Federal funds rate, or market interest rates)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. HARKIN, and Mr. REID, proposes an amendment numbered 178.

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

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

The amendment is as follows:

At the end of the bill, add the following:

TITLE V—INTEREST RATE REPORTING REQUIREMENT

SEC. 501. REPORT BY BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

(a) REPORT REQUIRED.—Not later than 30 days after the Board or the Committee takes any action to change the discount rate or the Federal funds rate, the Board shall submit a report to the Congress and to the President which shall include a detailed analysis of the projected costs of that action, and the projected costs of any associated changes in market interest rates, during the 5-year period following that action.

(b) CONTENTS.—The report required by subsection (a) shall include an analysis of the costs imposed by such action on—

(1) Federal, State, and local government borrowing, including costs associated with debt service payments; and

(2) private sector borrowing, including costs imposed on—

(A) consumers;

(B) small businesses;

(C) homeowners; and

(D) commercial lenders.

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''Board'' means the Board of Governors of the Federal Reserve System; and

(2) the term ''Committee'' means the Federal Open Market Committee established under section 12A of the Federal Reserve Act.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from North Dakota.

Mr. DORGAN. Mr. President, if I might, I would like to describe very briefly this amendment. I know Senator REID would like to speak on behalf of the amendment, as well, and I think there are a couple of other Senators, also. I would like to, following that, get a recorded vote ordered on this amendment. This is an amendment I shall not modify and I very much intend to get a recorded vote on.

This amendment deals with the Federal Reserve Board. The mere mention of the Federal Reserve Board puts students to sleep, at least in high school and in college. Start to study issues of the Federal Reserve Board and monetary policy and you very soon have a class that is fast asleep. Yet, the Federal Reserve Board and its conduct of monetary policy in this country has a substantial impact on virtually every American. The Federal Reserve Board controls America's money supply.

Why am I talking about it in the context of a bill on mandates? Very simply, because the Federal Reserve Board will meet in a closed room, shut the door, and make a decision about America's money supply and mandate—it has at least in the last six instances—an increased interest rate be paid by the American people.

That is kind of the mother of all mandates, if you think about it. Every American will have their lives changed as a result of a decision made by folks who portray themselves as a bunch of chaste economic monks who get in this room and make decisions about money. What they are is a bunch of economists and bankers who find themselves a room down in the Federal Reserve

Board. They convene in the room, incongruously named the Open Market Committee, in a room that is closed. So I would like to call it the Closed Market Committee. Let us no longer call it the Open Market Committee. These folks go into the Open Market Committee in a closed room, lock the door, and make decisions about America's money supply. And at least in the last six instances over the last year, they have decided to increase interest rates. That is, as I said, the mother of all mandates.

You do not enjoy the opportunity of saying, ''I am sorry, I disagree; I am not going to pay increased interest rates.'' Everybody pays them. The Federal Government pays them. I will bet there are not many Members of the Senate who know how much the Federal Reserve Board's six interest rate increases will have increased the Federal deficit in the coming 5 years. Any guesses? Somewhere about $125 billion.

About 1½ years ago, we wrestled in this Chamber with this issue of deficit reduction. We had massive debates. The American people were involved. Some were upset and incensed and sending letters and calling. Others were supportive. We were trying to reduce the Federal deficit in a democratic way: Increasing taxes, decreasing spending. All of it very controversial, and all of it subject to great emotional debate in the open. But the Federal Reserve Board goes into a room, shuts the door, and in a secret process decides we are going to mandate six interest rate increases, and they have imposed an additional cost on serving the public debt of close to $125 billion.

In other words, they took back with no public debate one-fifth of all that we did—one-fourth to one-fifth of all that we did—in this deficit reduction debate that we had in Congress.

They did not ask us if they could do that, they just did it. But that is not the half of it. It is not just the $125 billion increase in serving the debt, debt service costs, that we will have experienced in the next 5 years. It is the private sector. Everybody who has a home with an adjustable rate mortgage is now paying more.

I had a fellow come up to me this weekend and tell me he is paying $125 more for his house payment than he did a year ago. Why? Magic? Voodoo? No. The Federal Reserve Board, that is why. They made decisions that affect the lives of virtually every American. I mentioned what the public sector cost is, just for the Federal Government, of the decisions by the Fed, the mandate in interest rate increases: a $125 billion increase in 5 years. What about the private sector? Mortgages they pay, all kinds of other consequences? Mr. President, $218 billion in increased costs over 5 years for the private sector.

So the plain fact is the Federal Reserve Board imposes, by its mandate on interest rates, enormous costs on the American people. My amendment is very, very simple. No one—not the slowest thinker—can allege not to understand this. My amendment says when the Federal Reserve Board meets and increases interest rates—incidentally, they are meeting in the next week or so and some suggest they will probably increase interest rates again—they have a responsibility within 30 days to send to the Congress and to the President their evaluation of how much additional cost they have imposed on, yes, the public sector, the Federal Government, State and local governments, and also the private sector.

I asked Alan Greenspan in hearings some while ago: Do you, before you make these decisions, assess how much you are going to impose on others in terms of costs? If they do, it is not available to us. So I do not know. But I submit that they ought to. If someone will be making decisions in this country that will increase the Federal deficit by $125 billion in 5 years, or lay on additional costs in the private sector of $218 billion over 5 years, they ought to be telling us that.

The Senator from Idaho, when he talks about mandates, or the Senator from Ohio—you can describe dozens of mandates—I defy anybody, and I am going to listen for the next week, I defy anybody under any circumstance to describe for me any mandate that comes even close to this mandate, comes even close to imposing $218 billion in added costs on the private sector. You will not find one. This is the big mandate. This is the big one. This is the one that imposes enormous costs, and it is done in secret; done really without very much debate. It is interesting. Very few people want to talk about interest rates in the Federal Reserve Board. Alan Greenspan, Chairman of the Fed, came up here the other day, and, he said, ''I think that the Consumer Price Index really boosts inflation one-to-one and a half-percent beyond where it really is.'' I guess he said one-half of 1 percent to 1 percent. He said it overstates what inflation is.

We have had 4 successive years of decreased inflation. This year it is 2.7 percent. If Alan Greenspan thinks maybe that is a percent and a half over where it ought to be, that means the real inflation is 1.2 percent. Then I would ask him, if that is the case, what on Earth are you doing increasing interest rates six times putting your foot on the brakes to shut down the American economy and throw this country into a recession if inflation is at 1.2 percent? What on Earth are you doing? On whose behalf are you doing it?

We have different constituencies in this country. The Federal Reserve Board serves it. I might say its constituency represents the large money center bank interests. In fact, the open market committee that goes into the room and makes decisions there are people who are voting on those decisions who are each regional Fed bank presidents that are appointed by no one that I am aware of except their private boards of directors which are controlled by bankers in their region. They are not confirmed by anyone. So they are making public policy decisions in a manner designed—I assume in a manner designed—to serve their interests. Do you think they will come to town and say, ''The heck with my board of directors, I could care less about those folks, and I am going to serve somebody else's interests?'' I have great trouble with the whole concept of the way the Fed has been structured, and the way it has been behaving.

But my amendment in this circumstance is very clear and very simple. When the Federal Reserve Board takes action to increase interest rates, that is the big mandate in this country. Let us have them within 30 days send a report to the Congress and a report to the President saying here are the costs from our assessment, here are the added costs that we have imposed on governments and on the private sector.

I intend to seek a record vote on this. I would hope very much that it might be accepted. To those who are concerned about mandates, I say let us not be concerned about the little ones, not the nuisance mandates so much. Let us be concerned about the biggest one. Let us be concerned about the center pole in the mandates, the center pole Federal Reserve Board mandating mandates aside from the wisdom of the fact that what they are doing is completely out of sync with what they should be doing. When they do it any time in the future, it seems to me they have an obligation to report to us who will bear the cost of these mandates.

Mr. President, I yield the floor. I note my colleague, Senator REID from Nevada, is also going to speak on this issue.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, I would like to extend my congratulations to the Senator from North Dakota of course for offering his amendment of which I am a sponsor, but more importantly for speaking out about the Federal Reserve.

For years I have sponsored legislation that would call for an audit of the Federal Reserve system. I have offered that amendment every year. Every year the legislation gets nowhere.

I think it would be interesting to know about the Federal Reserve. I think we should audit the Federal Reserve. It is taxpayers' money that is being used there. But we do not do that.

Senator DORGAN spoke out on the secrecy of the Federal Reserve system. He has spoken out on the Federal Reserve more than anyone that I know in either body. But even though there is no entity in the world that controls our lives more than the Federal Reserve System, his speeches go unnoticed. And I am sorry to say that. People just do not care it seems about the Federal Reserve. Maybe it is because it is a subject that is not very interesting. It is not pornography. It is not murder. It is not an issue that deals with the Wild West water, grazing. It does not deal with issues that we talk about here a lot. But we do not talk enough about the Federal Reserve and the impact it has on our lives.

So I acknowledge the work that my friend from North Dakota has done on this issue. I am sorry that his very lucid statement have received very little attention.

I was thinking as the Senator from North Dakota was outlining the secrecy of the Federal Reserve System that maybe what we should do—the Central Intelligence Agency has received a lot of criticism lately for not doing a real good job; one reason maybe is that they are not secret enough in some of the things they do—maybe we should combine them with the Federal Reserve Board. What the Federal Reserve Board does nobody knows. Nobody knows what they are doing. It seems that everyone has some idea what the CIA is doing. Maybe we could combine the two. It might not be a bad idea.

Mr. President, the Federal Reserve has raised interest rates six times since February 1994. If someone likes this legislation generally speaking—that is, we are going to try to stop unfunded mandates—then they should love this amendment. If the principle of unfunded mandates being stopped sounds good to Senators, then they should jump with joy and run over here and cosponsor this legislation because this really overshadows all other unfunded mandates because these go on all the time. Not only do they affect government because of the moneys that governments borrow, but they also affect the private sector significantly.

There is not a person that is listening to this debate who is not impacted as a result of higher interest rates. It does not matter if they are homeless or making a multimillion-dollar transaction on Wall Street as we speak. Higher interest rates affect everybody in this country. What we are saying is that the Federal Reserve Board should provide a report to Congress and to the President about anticipated costs of changes in interest rates on the public and private sectors so we are aware each time the Fed raises interest rates of how much more we pay. We should have a little foundation as to what really we pay.

This amendment requires the Fed to prepare a report. This report will detail the costs imposed by interest rate changes within 30 days after the Fed decision to change those rates. The report will include an analysis of the aggregate costs that interest rate changes would impose on Federal, State, and local governments. It will provide a cost analysis of interest rate changes on the private sector borrowing. This will allow us to see the increases in borrowing costs for consumers, small business, homeowners and conventional lenders.

I am glad that there has been a rollcall vote called on this matter. I think it is important to people who are in favor of doing away with unfunded mandates—because they support the largest unfunded mandate we have in America today.

Mr. HARKIN. Mr. President, I rise in strong support of the Dorgan amendment regarding the Federal Reserve. Actions by the Federal Reserve, most notably the six interest rate increases in the last year, have a huge effect on our economy. In impact, it is an independent powerful fourth branch of Government, a branch of Government that has effectively been able to deflect reasonable examination. The impact of the Federal Reserve's actions needs to be better understood by the public and by the Congress. This amendment is a very rational and well thought out step in that direction.

Many would argue that one of the most significant changes in Government policy was the passage of the 1993 Reconciliation Act which among other things reduced the deficit by $500 billion over 5 years, about one-third of the way we needed to go to get to balance. Dozens of articles appeared on front pages of newspapers as that controversial hard fought measure went through the legislative process. The $500 billion sum, was in fact, an amount suggested by Alan Greenspan, the Chairman of the Federal Reserve. Each component was scrutinized by some degree. Many parts of the measure involving less than 5 percent of the whole were bitterly fought over.

In 1994, the Federal Reserve took what might be the second most significant Government action of the last 2 years. Six times, they increased the interest costs on everybody from the Federal Government and local governments, to families with mortgages and credit cards, to almost every business in the Nation.

While many fought bitterly against the tax increases that were included in 1993 Reconciliation Act, there was barely a word from most about the huge tax increase that resulted from the Fed's rate increases. While the first measure cost a typical family under $20 a year in higher taxes, the second cost many modest income families with an adjustable mortgage over a $1,000 in a year, 50 times the impact.

This wave of interest rate increases has been estimated to cost the Federal Government $107 billion over 5 years. And, the cost to the private sector is probably a lot higher. That is a huge impact with minimal public discussion on a governmental decision so significantly affecting both the Federal Government, local governments, and the private sector.

This amendment would help us to understand the impact of the Fed's actions and that would be a significant improvement.

The six increases in interest rates were largely justified by the Fed on the basis of their fear of rising inflation. In 1994, the CPI increased by a meager 2.7 percent, exactly last year's rate of inflation. When more volatile food and fuel costs were taken out, the rate increased by 2.6 percent, the lowest level of inflation since 1965. And, Alan Greenspan, the Fed's Chairman said he believed that the CPI was actually overstating inflation by .5 to 1.5 percent. If he were right about the CPI, and I have my doubts, Greenspan has pushed a huge burden on our economy when he believes that inflation has been under 2 percent a year over the past 2 years.

Where is this inflation that the Fed has been expecting?

Now, there are indications put out by the Fed's rumor mill that they will raise interest rates for a seventh time by another half percent or more on February 1.

The Fed says it takes a long time for the pain of their interest rate increases to work their way through the economy and cause the economy to slow down; that is, to cause enough people to be fired and for enough unemployed people to stay that way. It may take from 6 to 18 months.

I would like to ask: Is it logical to rush forward with a seventh increase in interest rates when we have not seen the impact of the earlier increases? If the Fed Chairman believes inflation has been running at less than 2 percent, I would think he would want to wait.

I would think the Fed would not want the slope of interest rates to rise too quickly. Because the higher we climb, the harder it will be for the economy to have the soft landing that we all want.

Some say that the Fed has an economic model that assumes that whenever unemployment drops to a certain point, it will put pressure on employers to provide some wage increases. And those wage increases will cause inflation. So, under this model, every time employment levels are good and people are working, the Fed fights to get that favorable situation reversed.

The Fed seems to work to create a guaranteed minimum level of unemployment and to minimize any general increase in wages.

I believe the Fed is, to some extent, fighting the last war.

Some have suggested that the tremendous growth in discount stores and the growing willingness of consumers to use private labels creates a real difficulty of manufacturers and retailers to raise prices. Some people see a new culture developing in many manufacturing areas which place considerable pressure on suppliers to avoid cost increases and to develop new lower cost methods of producing goods. To some extent, gains in computer design are providing methods to accomplish that goal.

And, as our country is more and more integrated in a world economy, the ability to raise the price of many U.S. goods and the ability to seek wage increases not related to greater productivity are declining.

Coming back to the analysis required by this amendment, clearly, this is important information that the public and policymakers should have about our economy and the effect of Federal Reserve actions.

Lastly, I wanted to comment on why this amendment should be on this bill. The Fed's interest rate increases are a mandate, a mandate on every city, county, and State in the Nation that issues bonds. It is a mandate on every business in the Nation that has loans based on the prime rate. It is a mandate on every family with a variable rate mortgage and many other kinds of loans. As Senator DORGAN said, the Fed's interest rate hikes are the mother of all mandates.

I commend Senator DORGAN for all of his work in this important area and urge adoption of his amendment.

Mr. SHELBY. Mr. President, I feel compelled to rise in opposition to the Senator from North Dakota's amendment—an amendment, which in my view is misplaced, unwise, and dangerously myopic.

The independent role of the Federal Reserve in setting monetary policy remains critical to the long-term stability of this country.

Cries for more public input in monetary policy decisionmaking misapprehend the necessary role of a central bank in our market system and jeopardize a carefully crafted balance between independence and public accountability.

Public accountability, in contrast to public input, already exists under the current structure of the Federal Resource.

The Fed and its activities are already highly scrutinized by both Houses of Congress pursuant to the Humphrey-Hawkins Act—and I dare say that Chairman Greenspan spends about as much time on the Hill testifying before one committee or another than he does at the Federal Reserve engaging in monetary policy decisionmaking.

This amendment is not about public accountability, Mr. President. Rather, this amendment is about a trade-off between long-term stability and short-term gain.

This amendment represents a rough attempt to influence monetary policy for short-term political purposes.

And yet even if it were successful in its purpose—to try and keep interest rates artificially low—it would still be ineffective, Mr. President, because long-term interests rates are not determined by U.S. monetary policy alone.

The Fed does not make decisions in a vacuum. Long-term bond and currency values reflect international confidence in the conduct of our monetary policy, not simply the Fed's pegged Federal funds rate. And a loose monetary policy, set through a politically influenced decisionmaking process would send a strong message to the rest of the world.

It would basically be telling our international neighbors that we are more concerned with macroeconomic gain than price stability and strong, long-term economic growth.

Mr. President, soft money means a soft economy. Adopt the view endorsed by this amendment and we won't have to worry about bolstering the Mexican economy through billion-dollar subsidies—we can make the peso look good by encouraging a lack of confidence in United States monetary policy and the dollar.

This amendment is not only unwise and myopic, it is misplaced.

It would force the Fed to report to Congress and the White House what costs are imposed on the market every time it raises interest rates. How do you define what comprises costs on the public and private sector? Do you net costs and benefits?

Would the proponents of this amendment agree the way many of them did during the health care debate that the short-term costs are outweighed by the long-term benefits? It would appear so.

Even if you could quantify such costs—which I nonetheless believe would be a specious exercise at best—this amendment is an unnecessary regulatory nightmare.

Congress already has the ability to ask the Fed about the costs of raising interest rates and it has, both through committee oversight and by individual Member queries to the Fed.

So what is the purpose of this amendment? To bog the Fed down in more reporting requirements and politicize its decisionmaking process by triggering the reporting requirements only when the Fed decides to increase interest rates.

Mr. President, the amendment also misapprehends its populist appeal.

It seems to me that on November 8 the American people were pretty clear about a couple of things—one of which is that they can rarely trust Congress to conduct the responsibilities it already has, like making fiscal policy.

I'm quite sure that such a healthy skepticism for this body's abilities would certainly extend to any ideas of Congress extending its reach further into Fed monetary policymaking.

I bet the American people would be much more interested in seeing the Congress report on the costs to the public and private sectors every time it votes to raise taxes.

I like low interest rates, too, Mr. President, but I'm not willing to sacrifice the long-term health of our economy to obtain them.

Mr. President, this amendment has nothing to do with unfunded Federal mandates, but instead is strictly about challenging the role of the Fed in setting monetary policy by making it more politically accountable to Congress.

Costs imposed by rising interest rates are not unfunded Federal mandates. As I've stated before, the Fed can only do so much to affect interest rates, the market will influence the rise or fall in interest rates no matter what the Fed does.

If anything, this amendment is about imposing new mandates by requiring the Fed to comply with new and extensive reporting requirements.

Mr. President, this bill is not the appropriate piece of legislation for this amendment and I would urge my colleagues to support the Senator from Idaho's motion to table the Dorgan amendment.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. What is the present parliamentary situation? Is there an amendment to be voted on?

The PRESIDING OFFICER. The amendment by the Senator from North Dakota is pending.

Mr. HOLLINGS. Are we going to stay on that until 4 o'clock when we vote? Is that the ruling of the Chair?

Mr. President, while I do have the floor, could I put up an amendment or how can that be arranged? Will there be no more amendments?

The PRESIDING OFFICER. The Senator may ask consent to set aside the pending amendment.

Mr. HOLLINGS. I ask unanimous consent that we temporarily set aside the pending amendment so that I can introduce one.

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

Mr. HOLLINGS. I thank the distinguished Chair. I thank the distinguished managers of the bill.

Mr. President, I want to talk about the biggest unfunded mandate of all, which is not just interest costs on the Federal debt, but the entire Federal budget. We just heard—and I want to join the leadership of the distinguished Senator from North Dakota and the distinguished Senator from Nevada in their concern relative to interest costs. I will momentarily put into the RECORD a table that will show my colleagues exactly where we are.

Prior to that, let me speak to some of the problems facing our Nation. We are really in crisis, Mr. President, with respect to our fiscal situation and also in crisis in our cultural situation.

We all know the litany: There are some 40 million Americans in poverty. Some 10 million are homeless, sleeping in the streets; another 12 million children are hungry. The cities are a cesspool of crime and violence; the land is drug infested; the schools have turned into shooting galleries. Even more alarming, we now find that of those between the age of 17 and 24, 73 percent cannot find a job out of poverty. In sum, we are dividing into a two-tiered society, the haves and the have-nots.

The middle class that everybody seems to want to address is disappearing. Rather than offering up a State of the Union, rather than coming up with contracts premised on the dismantlement of Government, what we need is a plan to start the Government back up again, for it is only the Federal Government that can solve these problems. With all 50 States joining hands and pulling together, we can work our way out of this dilemma.

Mr. President, our security is like resting upon a three-legged stool. We have the first leg, the values we have as a country, and those are very strong. We readily sacrificed lives to feed the hungry in Somalia; we sacrificed lives again trying to promote democracy in Haiti; and we are now willing to send earthquake relief aid to Japan. We, as an American country—not as a middle class or lower class or underclass or rich class—willingly sacrifice and give assistance where it is needed.

Similarly, the second leg of our security rests on the leg of military power, and the strength of that is unquestioned. Finally, the third leg is that of our economic security, and that leg is fractured, in disrepair, and about to break because of the very litany that we have all enunciated on the floor.

We act as if it is the best of times, and all we need to do is give to the various interest groups their wants. For those in California, we will now finally have a program on immigration after we just passed a multibillion-dollar bill on that subject. It makes a difference. But we have never even given the additional border patrols and everything else a chance to work, including the new offices that were set up. The thrust of such pollster-driven policies would be to say, ''We have not done anything,'' and ''Let us start doing something there,'' because California is important in the Presidential race.

Of course meanwhile, both sides are trying their dead-level best to flatter the middle class with gifts such as tax cuts. Mr. President, we do not have anything to give. The tenor and tempo of the moment should rather be that of John F. Kennedy back some 30 years ago when he said, ''My program is not a set of promises of what I intend to give the American people, but rather a set of challenges of what I intend to ask of the American people.''

Rather than facing challenges and bringing reality, we are off on a toot, chasing around in a veritable contest, a foot race, if you please, trying to dismantle the Government and saying that the Government is the enemy. The truth of the matter is that the Government is a friend. We have valid programs working which need to be expanded upon—women, infants, and children feeding, 50 percent receive funding and 50 percent go wanting. But for every dollar I spend on women, infants, and children feeding, I save $3. For if I do not spend that money on nutritional supplements, I have, by account, an increase low birthweight infants. The average stay in an incubator for the low birthweight infants is 30 days, at $1,000 a day, or $30,000.

Getting to the needs of the hour, we need to embellish the WIC Program and the Head Start Program. We can furnish the studies that show for every $1 that we invest in Head Start—not to the cities or to the States or to get it back to the people or to dismantle it and all the other gobbledygook they are giving us—Head Start saves $4.50 for every $1 we spend. We ought to extend that to the other 40 percent of Americans that are not participating.

With respect to funding for the disadvantaged, half of those eligible are not receiving benefits, but for every $1 we spend there, $6.25 is saved. Biomedical research, which is a distressing thing to me, we have cut back under President Clinton's administration on top of the cuts that we have had under Reagan-Bush. But for every $1 we spend in biomedical research out at NIH, we save $13.50.

Indeed, the Federal Government has a lot of good roles to perform. Welfare reform—you are getting another unfunded mandate, Mr. Governor, I can tell you now. Some will get welfare and some will not. Those recipients in the ''have-not'' States with the bigger burden will start moving to those ''have'' States. In fact, that is what brought about the Federal program.

I can tell you, once they get to welfare reform and try to set up those jobs to make people work, no money is going to be saved. It is going to cost more. Welfare reform is going to cost more. Name the odds and I will take all bets.

Similarly with health reform. Yes, we can slow down the growth of rising health costs, but the savings that we achieve through reductions in all of the entitlements will leave us far short of our goal. My point is while we may save some, we will not save enough. So, it is important that we come and start looking, if you please, at what we really need in this land of ours. And I will get into that on another occasion, because I want to address the problem of this unfunded mandate, the Federal budget.

Mr. President, we need a Marshall plan for America. If we are going to have a capital gains tax cut, we need to have it for inner-city investment to industry, not just for the rich just to write off. In addition, we need to promote savings. We need targeted IRA's and incentives to promote investment in research and development investment here in the United States. With respect to technology, we need the advanced technology program, which is subject to peer review by the National Academy of Engineering and devoid of any political pork.

Regrettably, you see some shouting in the contract that these are pork barrel programs. We have to get into competition with a competitive trade and industrial policy. We can go down the list of the needs, but we do not have any money.

Looking at what is available, I find myself much like the famous character in ''Alice In Wonderland,'' where to stay where I am, I have to run as fast I can; to get ahead, I have to run even faster.

Let me turn momentarily to the interest costs on the public debt. I can tell you, before Chairman Greenspan raised interest rates, the CBO estimated $311 billion for the 1995 gross interest costs on the public debt. Now, comes January, it has jumped some 28 billion bucks to $339 billion and is projected to rise to $408 billion by 2002.

So what I have tried to do in this particular exercise is to bring into focus the magnitude of our current fiscal situation. I have been in a drill now all this month with my staff and the best of minds. I have summarized it on one sheet of paper. And I will ask my staff to distribute this sheet to our friends on the floor and any others who are interested. Yes, statistics are boring, but it is a reality.

We start, Mr. President, with reality check No. 1, that it will require approximately $1.2 trillion in spending cuts to execute item No. 1 of the Contract With America; namely, to balance that budget.

Now, balancing the budget is not a new thing. I have tried dutifully as a Member—and Senator DOMENICI and I are the only remaining Members since the initiation over 20 years now of the Budget Committee—and as a former chairman, I have conscientiously tried freezes. I have tried Gramm-Rudman-Hollings—which, incidentally, my colleagues, Mr. GRAMM and Mr. Rudman, joined in abolishing in 1990 when we went from fixed to floating targets. We had the discipline. We needed to maintain that discipline, but in October of 1990, I guess it was—we will find out the exact date—at around 20 minutes to 1:00 in the morning, I will never forget making the point of order; the point of order was appealed and Gramm–Rudman-Hollings, for all intents and purposes, was abolished.

Do not say, ''It did not work.'' That is what I hear is said in these meetings and seminars, that Gramm-Rudman-Hollings did not work. The fact of the matter is that it was not the law that failed, but rather a bipartisan failure on the part of Congress to meet the targets.

The problem continues to worsen—and I emphasize, Mr. President, ''worsen''—because if we had had the freezes that my distinguished friend on the other side of the aisle, the majority leader, Howard Baker of Tennessee, and I once offered, we would have a balanced budget this very minute.

After failing with freezes, I then came with taxes. Now, I have been in public service 40 years and I am not some loon who is off trying to get a headline. I do not need it. Instead, I try to make headway.

And I know that taxes are unpopular. Because of pollster politics in this land, every politician is told, whether Republican or Democrat, conservative or liberal, that Americans are all against taxes. Uniquely and ironically, we are in such a position that the only way we can stop increasing daily interest taxes by $1 billion is to raise taxes. Now think about that statement. I said to stop increasing daily interest taxes of $1 billion. Or save a few Sundays, we pushing gross interest up to $339 billion. That interest cost to me is the worst tax of all, because it cannot be avoided. That is the first thing that comes off the top. So, we have spending on automatic pilot and tax increases on automatic pilot. That is why I say our country is in crisis.

The truth of the matter is that we have not paid for the Congress in years. We have not paid for the FBI in years. We have not paid for the DEA in years. We have not paid for the Departments of Commerce, the Interior, Agriculture, and other Departments in years. Why? Because if we look to see domestic discretionary—not defense—domestic discretionary spending right this minute is $253 billion. Defense spending is $270 billion; international affairs is $21 billion for a grand total in discretionary spending of $544 billion.

Get that figure in your mind and turn to the size of the deficit. The true deficit figure for 1995 is $283 billion and not the $176 billion that the press continues to report. They do not want to speak the truth in budgeting. I offered the amendment along with my late friend, Senator Heinz, to prevent us from using the Social Security trust fund to mask the size of the deficit. They do not adhere to it. OMB and CBO give two figures, one using the trust funds, one not using them.

As an aside, I might mention that Social Security is paying its way. It is not in the red. In fact, by the end of the century we will owe Social Security $1 trillion. One trillion dollars we have borrowed. We are using these little IOU slips in the trust fund drawer to mask the true size of the deficit.

Now we will jump back to the $253 billion we spend on domestic discretionary programs. The courts, the Congress, the President, the FBI, the judges—all of these Departments of Government add up to $253 billion. Similarly, at the present time we have a deficit of $283 billion. Thus, we could eliminate all of Government and we would still be facing a deficit.

When we come around with the Contract with America and say we will balance the budget with spending cuts, eliminate the Government, so to speak, we will still have a deficit. This is the unpardonable crisis we have worked our way into. I have continued to search for ideas. I appeared with the best of experts, Mr. Charles Walker, former Undersecretary of the Treasury, Dr. Cnossen of the Netherlands, who helped write the Japanese value-added tax, the United Kingdom's value-added tax.

I have been to countries like Argentina that are operating on a balanced budget. I have been to Chile where they are operating on a balanced budget, and I am lecturing them? I am embarrassed. I have the biggest foreign debt. I have gross interest, the biggest domestic account that we can possibly think of, and we act like all we are here to do is make the headlines with contracts, identify with the family, identify with the middle class, identify with California on immigration, and get past, if you please, the election.

I have tried to work on those entitlements. I wish Senators could have been at some of the meetings that I had with Claude Pepper. I learned that senior citizens were willing to sacrifice as long as everyone shared in shouldering the load. At a meeting with Claude and some senior citizens, I asked everyone to raise their hands if they were willing to just hold the line, freeze Social Security not cut it, but not get any increase so long as no one else got any increase. I would pick up half of Claude Pepper's audience. They would raise their hands and some would stand. After that, the distinguished Congressman from Florida and chairman of that particular committee quit inviting me to the meetings.

I have stood the fire on COLA freezes. Someone on the other side might try and say, ''Oh, you did not vote that way in September 1985, when they wheeled in Pete Wilson for the Republican freeze of Social Security.'' That's true, I did not because it did not apply to every other particular program.

In addition, I have tried to reduce other entitlements. Along with the Senator from Kansas, now majority leader, I attempted to reduce the waste and inefficiencies in the Food Stamp Program, but the promised savings never materialized. Instead, we saw more and more children qualify for the program. I can tell Members here and now what causes latchkey children. It is that the average family's income has steadily declined. So both parents have to get out and they both have to hustle. That is the case in my family and perhaps in your families and everybody's family. That is the fact of life.

Some of them have to get out in order to support their children. The child is left at home.

And there it is. If you think you are going to save on aid for dependent children, look at what the distinguished majority leader said in the morning paper that I read: Babies having babies we deplore, but we are not cutting the children off. I agree with him. It is a child problem, it is not a political problem with the next election to identify: ''I got hold of those riding around in Cadillacs and buying T-bone steaks with their food stamps''. I have heard that ad nauseam for years and have written a book on hunger. We will talk on that at length on a different occasion.

My point in this whole particular amendment is that we are really in a crisis condition relative to spending on automatic pilot, and the need of the hour is not a delay for a constitutional amendment.

The time for the discipline has passed, so to speak. What we need to do is do it. We all are like a bunch of players that have run up into the grandstand hollering, ''We want a touchdown; we want a touchdown; we want a touchdown.'' Darn it, get down on the field and score a touchdown. We are the players.

I remember when Ronald Reagan came to town. He said he was going to balance the budget in 1 year. When he got here, after he had gotten elected on that pledge, he said, ''Oops, this thing is way worse. It's going to take me 2 years.''

We went back, thinking he was serious, in the Budget Committee and said, ''All right, we'll make it 3 years so it will be realistic and we can get it done.''

That was 1981, and by 1985, we had not done anything. In fact, we had this growth, growth, growth. We were supposed to grow out of our problems and give the people back their money so they can spend it better than Washington. We have been through that.

But the fact of the matter is, by 1985 in Gramm-Rudman-Hollings, we had to make a 5-year plan. Now they are jumping it to 7 years. If you agree to that, I can tell you the next Congress is going to come for 10 years. Up, up, and away, just so long as you do not face the music.

I am saying now is the hour to face that music. We cannot do all we want done. But we can make a good start of providing a Marshall plan to rebuild the economy of this land so that we can go back to providing jobs for Americans.

The reality is that you cannot save enough on entitlements. What about defense? There are those who want to increase it inordinately. There are those who want to decrease it inordinately. I think the best judgment at this hour is to hold the line on defense and let the Defense Department really stabilize under the Bottom-Up Review.

With respect to domestic discretionary spending reductions, they have to come from freezes and cuts. But once you go over the list, you find out that there are not enough savings to balance the budget.

Mr. President, I ask unanimous consent this cover sheet, with the list of the cuts, be printed in the RECORD.

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

Non-Defense discretionary spending cuts	1996	1997
Space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4

Non-Defense discretionary spending cuts	1996	1997
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	1.0
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Department funding and end miscellaneous activities	0.1	0.2
End Public Law 480 titles I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the bureau of mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate Untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Development	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4
Reduce REA subsidies	0.1	0.1
Eliminate postal subsidies for non-profits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce export-import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close Veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate small business development centers	0.056	0.074
Eliminate minority assistance score, small business institute and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	0.873	0.873
Eliminate participation in U.N, peacekeeping	0.533	0.533
Eliminate Byrne Grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.028	0.140
Reduce Coast Guard 10 percent	0.208	0.260
Eliminate manufacturing extension program	0.03	0.06
Eliminate Coastal zone management	0.03	0.06
Eliminate National Marine sanctuaries	0.007	0.012
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate State weather modification grant	0.002	0.003
Cut weather service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003
Eliminate minority business development agency	0.022	0.044
Eliminate public telecommunications facilities program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate national information infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Reduce chapter 1 20 percent	0.173	1.16
Reduce special education 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate Agricultural Research Service	0.546	0.656
Reduce Agricultural Research Service	1.579	1.735
Reduce WIC 50 percent	1.579	1.735
Eliminate TEFAP:		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce cooperative State research service 20 percent	0.044	0.070
Reduce animal plant health inspection service 10 percent	0.036	0.044
Reduce food safety inspection service 10 percent	0.047	0.052
Total:	36.942	58.407

Mr. HOLLINGS. I thank the distinguished Chair.

I been trying to put us on a reasonable path to get our deficit down to zero. But to do that through spending reductions alone requires $1.2 billion in cuts over 7 years and $37 billion in the first year.

Thirty-seven billion dollars in domestic discretionary looks attainable until you try it on. That is why I have listed them, doing my dead-level best to get up to the $37 billion. I have listed the space station, eliminate it; the community development block grants; the lower-income home energy assistance; the arts funding, the funding for campus-based aid; the funding for impact aid; the funding to control drugs; SBA loans should be eliminated; the Federal aid to mass transit; eliminate the Economic Development Administration; reduce the Federal rent subsidies; reduce overhead for university research; repeal Davis-Bacon—I am going down a list of all these things they have been thinking about.

I am going down a list of all these things they have been speaking about.

Reduce the State Department funding and end miscellaneous activities, end P.L. 480 title I and title III sales, eliminate the overseas broadcasting, the Bureau of Mines, eliminate expansion of the rural housing assistance, eliminate U.S. Trade and Tourism and Travel Administration, the advanced technology program, the airport grants in aid, the Federal highway demonstration programs, eliminate Amtrak subsidies, eliminate the RDA loan guarantees, the Appalachian Regional Commission, the untargeted funds for math and science, cut Federal salaries by 4 percent, charge Federal employees commercial rates for parking, reduce agriculture research extension activities, cancel the advanced solid rocket motor, eliminate Legal Services Corporation, reduce the Federal travel by 30 percent, reduce the energy funding for energy technology development, reduce the Superfund cleanup costs, reduce the REA subsidies, eliminate the postal subsidies for nonprofits, reduce the NIH funding, eliminate the Federal Crop Insurance Program, reduce the Justice-State local assistance grants, reduce the export-import direct loans, eliminate library programs, modify the service contract, eliminate the HUD special purpose grants, reduce housing programs, eliminate community investment programs, reduce strategic petroleum program, eliminate the senior community service program, reduce the U.S. Department of Agriculture spending for export marketing, reduce maternal and child health grants, close the veterans hospitals, reduce the number of political employees, reduce the management costs for the VA health care, reduce the PMA subsidy, reduce below-cost timber sales, reduce the legislative branch 15 percent, eliminate the small business development centers, eliminate the minority assistance on SCORE, technical assistance programs for women's business assistance, international trade assistance and import zones—all that is minority assistance gone, just like they did the caucus over across the hall there—eliminate new State Department construction projects, eliminate the International Boundaries and Water Commission, eliminate the Asia Foundation, eliminate the International Fisheries Commission, eliminate the Arms Control Disarmament Agency, eliminate the National Endowment for Democracy, eliminate Fulbright and other international exchanges, eliminate the North-South Center, eliminate the United States contribution to the World Health Organization, Organization of American States, and the other international organizations, including the United Nations, eliminate participation in U.N. peacekeeping, eliminate the Byrne grants, eliminate community policing programs, a moratorium on new Federal prison construction, reduce the Coast Guard 10 percent, eliminate manufacturing extension program, eliminate coastal zone management, the national marine sanctuaries, the climate and global change research, the national sea grant program, eliminate the State well and modification program, cut the Weather Service operations 10 percent, eliminate the regional climate centers, eliminate the Minority Business Development Agency, eliminate the public telecommunications facilities program grant, eliminate children's educational television, eliminate the national information infrastructure grant, cut Pell grants 20 percent, eliminate education research, cut Head Start 50 percent, eliminate the meals and services for the elderly, eliminate title II social service block grant, eliminate community services block grant, eliminate rehabilitation services, eliminate vocational education, reduce chapter 1 20 percent, reduce special education 20 percent, eliminate bilingual education, eliminate JTPA, eliminate child welfare services, eliminate CDC breast cancer program, eliminate the CDC AIDS control program, eliminate the Ryan White AIDS program, eliminate maternal and child health, eliminate family planning program, eliminate the CDC immunization program, eliminate the tuberculosis program, eliminate Agriculture Research Service, reduce WIC 50 percent, eliminate TEFP administrative commodities, reduce cooperative State research 20 percent, eliminate animal/plant health inspection services 10 percent, reduce food safety inspection service 10 percent, and you have in outlays for the year 1996, $36.942 billion.

Incidentally, Mr. President, it would be good at this time to include in the

RECORD a letter the distinguished Senator from New Hampshire dated January 11, 1995, to his colleagues saying, ''As part of this process * * * to head up an effort to find dramatic spending reductions in entitlements,'' and list of reductions in entitlements be included in the RECORD.

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

U.S. SENATE,
Washington, DC, January 11, 1995.

DEAR COLLEAGUE: As you know, we are aggressively proceeding to address the development of next year's budget under the leadership of Senator Dole and Senator Domenici. As part of this process, I have been asked to head up an effort to find dramatic spending reductions in entitlements. I would appreciate your help in this effort.

We are going to attempt to identify entitlement savings in the range of hundreds of billions of dollars over the next five years. To accomplish this, we are using the following documents:

(1) Last year's Republican budget which entailed nearly $215 billion in entitlement savings (Appendix A);

(2) An allocation formula of additional savings based on the approximate percent that various spending categories represent of total entitlement spending (Appendix B) and;

(3) A working draft of potential areas for savings (Appendix C).

Social Security is not to be included in any of this activity.

Using the enclosed documents and any other materials or ideas that you may have, I would appreciate it if you or your staff would get back to us no later than January 17th as to any specific suggestions or proposals that you would like to make.

Thank you for your attention to this issue.

Sincerely,

JUDD GREGG.

CHAPTER 1: PROPOSALS TO REFORM THE CIVIL SERVICE RETIREMENT SYSTEM

I. OPTIONS TO REDUCE REPLACEMENT RATES FROM THE START OF RETIREMENT FOR CSRS AND FERS

A. Modify the salary used to set pensions:
Cost Savings: $510 million over 5 years. (CBO projections from 1995–1999).

II. OPTIONS TO RETAIN INITIAL REPLACEMENT RATES BUT REDUCE BENEFITS DURING RETIREMENT THROUGH COLA RESTRICTIONS FOR CSRS AND FERS

A. Limit COLAS to one-half percentage point below inflation for CSRS:

Cost savings: $2.45 billion over 5 years. (CBO projections from 1995–1999).

B. Defer COLAS until age 62 for all non-disabled employees who retire before that age for those under CSRS:

Cost savings: $1.210 billion over five years. (CBO projections from 1995–1999: No savings in 1995).

III. OPTIONS TO INCREASE THE CSRS AND FERS RETIREMENT AGE

A. Raise the retirement age from 55 to 65 prospectively for all new hires after 1993:

Cost savings: Because of the prospective implementation, there would be no immediate savings.

B. Raise the age of civilian retirement to 62:

Cost savings: $14 billion over 5 years (1994–1998).

IV. OPTIONS TO RAISE DEFINED BENEFIT CONTRIBUTIONS IN CSRS AND FERS

A. Increase employee contributions to Retirement Fund in CSRS from 7 percent to 9 percent over two years:

Cost Savings: $4.180 billion over 5 years. (CBO Projection from 1995–1999).

V. OPTIONS REGARDING CSRS AND FERS SURVIVOR BENEFITS

A. Conform the maximum entitlement age for CSRS/FERS child-survivor benefits to that of Social Security:

Cost savings: $50 million over 4 years. (1994–1997).

B. Base survivor annuity on the retiree's reduced annuity:

Cost savings: $350 million over 4 years. (1994–1997).

VI. OPTIONS TO DECREASE THE EMPLOYER MATCHING RATE FOR VOLUNTARY THRIFT SAVINGS PLAN (TSP) CONTRIBUTIONS

Option 1: Eliminate the 50-cents-per-dollar match for the fifth percent of salary available under the current thrift savings plan for all new hires:

Cost savings: $144 million over 5 years.

Option 2: Eliminate the 50-cents-per-dollar match for new employees:

Cost savings: No saving over 5 years.

Option 3: Limit the Federal match to a federal matching rate of 50 percent against the first five percent of pay:

Cost savings: $2.34 billion over 5 years. (CBO projections from 1995–1999).

Option 4: Reduce the Federal matching contributions from one dollar to 50 cents for contributions above the first one-percent of pay contributed by employees:

Cost savings: Does not indicate separate cost savings.

CHAPTER 2: PROPOSALS TO REFORM THE MILITARY RETIREMENT SYSTEM

I. OPTIONS TO REDUCE REPLACEMENT RATES FROM THE START OF RETIREMENT

A. Modify the salary used to set pensions:
Cost savings: $110 million over 5 years. (CBO Projections from 1995–1999).

II. OPTIONS TO RETAIN INITIAL REPLACEMENT RATES BUT REDUCE BENEFITS DURING RETIREMENT THROUGH COLA RESTRICTIONS

B. Defer COLAs:

Option 1: For those who enlist after 1993, defer the COLA on their retirement benefits until age 62:

Cost savings: None over 5 years. (1994–1999).

Option 2: Defer COLAs for all future military retirees until age 62:

Cost savings: $4.45 billion over 5 years. (CBO projections from 1995–1999: No savings in 1995).

B. Limit COLAs:

1. Limit COLAs to one percentage point below inflation for all the future military retirees.

Cost savings: $2.77 billion over 5 years. (CBO projections from 1995–1999).

CHAPTER 3: PROPOSALS TO REFORM MEDICARE

Part 1: Proposals To Reform Medicare Part A, Hospital Insurance (HI)

I. PROSPECTIVE PAYMENT SYSTEM (PPS)

A. Eliminate Medicare payments to hospitals for enrollees' bad debts:

Cost savings: $1.75 billion over 5 years. (CBO Projection for 1995–1999).

B. Eliminate Medicare's additional payments to sole community hospitals (SCHs).

Cost savings: $1.33 billion over 5 years. (CBO projection for 1995–1999).

II. PPS—UPDATE FACTOR PROPOSALS

Cost savings: $17.76 billion over four years. (HHS projection for 1997–2000).

A. Update Medicare payments to hospitals for inpatient care on a calendar-year basis:

Cost savings: $4.6 billion over 4 years. (HHS projection for 1994–1997).

B. Freeze Medicare's part A payment rates and limits for 1 year:

Cost savings: $8.45 billion over 5 years. (CBO projection for 1995–1999).

C. Extend OBRA–93 skilled nursing facilities (SNFs) savings:

Cost savings: $920 million over 5 years. (HHS projection for 1996–2000).

III. CAPITAL PAYMENTS

A. Mandated reduction in capital reimbursement payments to hospitals:

Cost savings: $4 billion over 5 years. (HHS projection based on $800 million savings annually).

B. Reduce capital payments by the following three changes:

Cost savings: $6.2 billion over 5 years. (HHS projection for 1996–2000).

IV. INDIRECT MEDICAL EDUCATION

A. Reduce Medicare's payments for the indirect costs of patient care that are related to hospitals' teaching programs:

Option 1: Lower teaching adjustments to 6 percent:

Cost savings: $4.79 billion over 5 years. (CBO projection for 1995–1999).

Option 2: Lower teaching adjustments to 3 percent:

Cost savings: $13.55 billion over 5 years. (CBO projection for 1995–1999).

Option 3: Lower teaching adjustments to level supported by HCFA's empirical data, or 5.65 percent:

Cost savings: $5.225 billion over 5 years. (HHS projection based on annual savings of $1.045 billion).

Option 4: Lower teaching adjustments to 3.2 percent:

Cost savings: $8.71 billion over 5 years. (GAO projection 1992–1996).

B. Replace indirect medical education adjustments with a transfer support system:

Cost savings: $18.45 billion over 5 years. (HHS projection for 1996–2000).

Part 2: Proposals to Reform Medicare Part B, Supplemental Medical Insurance

I. FEE SCHEDULES—PHYSICIANS SERVICES

A. Relative value units:

1. Payments to medical staffs would be limited.

Cost savings: $2.45 billion over 3 years (HHS projection for 1998–2000; no savings in 1995–97).

B. Geographic adjustment:

There are no current options that affect the geographic adjustment.

C. Conversion factor:

1. Reduction in conversion factor for 1994.

Cost savings: $2.85 billion over 6 years. (HHS projection for 1995–2000).

D. Update factor:

1. Beginning in fiscal year 1996, use the change in real gross domestic product (GDP) to adjust the volume and intensity factors of the MVPS calculation.

Cost savings: $5.775 billion over 4 years. (HHS projection for 1997–2000).

2. Set cumulative growth targets for MVPS.

Cost savings: $5.475 billion over 4 years (HHS projection from 1997–2000) Note: includes $75 million cost in 1997.

V. MEANS-TESTING

A. Phase in an increase of the deductible from $696 to $2000 for hospital stays under Medicare Part A for individuals with AGIs above $70,000 (couples above $90,000):

Cost savings: $1.6 billion over 5 years. (1995–1999).

VI. DISPROPORTIONATE SHARE HOSPITAL ADJUSTMENTS

A. Eliminate the disproportionate share adjustment for hospitals in Medicare's prospective payment system:

Option 1: Eliminate the DSH payment immediately.

Cost savings: $20.3 billion over 5 years. (CBO projection for 1995–1999).

Option 1: Phase out the DSH payments over 5 years.

Cost savings: $12.55 billion over 5 years. (CBO projection for 1995–1999).

B. Reduce DSH payments:

Cost savings: $17.25 billion over 5 years. (HHS projects an additional 1.5 percentage points would be added for primary care services. Projection for 1996–2000).

VII. ADMINISTRATIVE SAVINGS OPTIONS

A. Do not reimburse Medicare providers for substandard medical care:

Cost savings: $550 million over 5 years. (HHS projection based on annual estimated savings of $110 million).

II. CLINICAL LAB SERVICES-FEE SCHEDULES

A. Include laboratory services in outpatient or office visits in the charges:

Cost savings: $6 billion over 5 years. (HHS projection).

B. Change the way Medicare pays for clinical laboratory test:

Cost savings: $2.13 billion over 5 years. (HHS projection).

C. Permanently extend the 2 percent annual update of Medicare reimbursement rates for clinical lab services:

Cost savings: $740 million over 4 years. (OMB projection for 1994–1997).

III. OUTPATIENT TREATMENT/SERVICES

A. Treat hospital admissions as outpatient services when there is no overnight stay:

Cost savings: $1.05 billion over 5 years. (HHS projection based on annual savings $210 million).

B. Bring outpatient-services payments in line with ambulatory service center (ASC) approved insurance:

Cost savings: $645 million over 5 years. (HHS projection).

C. Continue Medicare's transition to prospective rates for facility costs in hospital outpatient departments:

Cost savings: $340 million over 5 years.

D. Require Medicare payments to equal the blended amount less any amount the hospital may charge as coinsurance:

Cost savings: $9.75 billion over 7 years. (HHS projection for 1994–2000).

E. Reasonable cost reimbursements:

1. Increase the 5.8 percent reduction of payments for hospital outpatient services to 10 percent reduction.

Cost savings: $2.6 billion over 4 years from 1993 estimate. (OMB estimate as reported in Medicare: FY94 Budget (Updated December 13, 1993)).

IV. CO-INSURANCE FOR PART B

A. Increase the part B coinsurance rate to 25 percent on all services that are currently subject to a coinsurance rate of 20 percent:

Cost savings: $16.25 billion over 5 years. (CBO projection for 1995–1999).

B. Clinical lab services:

1. Collect 20 percent coinsurance on clinical lab services under Medicare.

Cost savings: $6.18 billion over 5 years. (CBO projection for 1995–1999).

V. DEDUCTIBLE

A. Increase Medicare's deductible from $100 to $150 and index for inflation:

Cost savings: $9.29 billion over 5 years. (CBO projection over 1995–1999).

VI. PREMIUMS

A. Increase the part B premium to 30 percent of program costs:

Cost savings: $17.37 billion over 5 years. (CBO projection for 1995–1999). (Note: Savings is actually over 4 years because no change in 1995).

VII. MEANS-TESTING

A. Phase out the premium subsidy for higher income beneficiaries:

Option 1: Gradually reduce the Medicare part B premium subsidy for high-income enrollees with AGIs beginning at $70,000 for individuals ($90,000 for couples). The subsidy would be phased out completely at AGI of $95,000 for individuals ($115,000 for couples).

Cost savings: $7.34 billion over 5 years.

Option 2: Phase out part B subsidy through gradual reduction in subsidy for enrollees earning more than $50,000 ($65,000 for couples):

Cost savings: $16.3 billion over 5 years.

Option 3: Raise the part B premium to cover 75 percent of costs for individuals with incomes exceeding $90,000 ($115,000 for couples):

Cost savings: Not Available.

Option 4: Raise the premium for physicians' services under Medicare to cover 75 percent of costs for individuals with incomes exceeding $75,000 ($100,000 for couples):

Cost savings: $8 billion over 5 years. (CBO projection for 1996–2000).

Option 5: Raise the part B premium to cover 50 percent of costs for individuals with incomes exceeding $60,000 and for couples with incomes exceeding $80,000:

Cost savings: $6.02 billion over 5 years.

Option 6: Income-related premiums would cover 100 percent of costs for individuals with incomes exceeding $125,000 and for couples with incomes over $150,000:

Cost savings: $5.375 billion over 5 years. (CBO projection for 1995–1999).

Option 7: Raise the premium for physicians' services under Medicare to cover an additional one-third of program costs for individuals with incomes exceeding $100,000 ($125,000 for couples):

Cost savings: Not Available.

VIII. MISCELLANEOUS

A. Charge a fee for supplementary medical insurance (part B) claims that are not billed electronically:

Cost savings: $550 million over 4 years. (CBO projection 1994–1998).

B. Competitive bids:

1. Require the Secretary of HHS to establish competitive acquisition areas for the awarding of contracts to furnish selected items or services, effective January 1, 1995.

Cost savings: $980 million over 6 years. (HHS projection for 1995–2000).

2. Require the Secretary to reduce lab fee schedule payment amounts if competitive acquisition did not result in a 10 percent reduction in payments that would otherwise have been made.

Cost savings: $1.55 billion over 6 years. (HHS projection for 1995–2000).

IX. EXTEND CURRENT LAW

A. Permanently extend OBRA–90 5.8 percent reduction of Medicare reimbursement for hospital outpatient department (OPD) reasonable costs beyond 1995:

Cost savings: $950 million over 4 years. (OMB projection for 1994–1997).

Part 3: Proposals Affecting Part A and Part B

I. MEDICARE SECONDARY PAYMENT (MSP)

A. Extend MSP provisions for beneficiaries whose Medicare eligibility is based on end stage renal disease (ESRD) from the current law limit of 18 months to the duration of treatment of the disease:

Cost savings: $3.018 billion over 5 years.

II. HOME HEALTH SERVICES

A. Home health co insurance:

Option 1: Establish 20 percent coinsurance for home health services under Medicare from beneficiaries with Adjusted Gross Income (AGI) above 150 percent of the Federal poverty level. (The 150 percent poverty level in 1992 was $10,094 for individuals age 65 or over and $12,730 for two-person families with a head age 65 or older):

Cost savings: $13.675 billion over 5 years.

Option 2: Establish 10 percent coinsurance on home health services under Medicare from beneficiaries with AGI above 150 percent of the Federal poverty level. (The 150 percent poverty level in 1992 was $10.094 for individuals age 65 or over and $12,730 for two-person families with a head age 65 or older):

Cost savings: $7 billion over 5 years. (1994–1998).

Option 3: Establish a 10 percent copayment from those receiving home health services:

Cost savings: $11 billion over 5 years.

Option 4: Establish a 10 percent copayment for all home health services, except for those received within 30 days of discharge from a hospital for inpatient care:

Cost savings: $8.02 billion over 6 years. (HHS projection for 1995–2000).

Option 5: Collect 20 percent coinsurance on all home health and skilled nursing facility (SNF) services under Medicare:

Cost savings: $20.45 billion over 5 years. (CBO projection for 1995–1999).

B. Other home health proposals:

1. Extend OBRA–93 home health saving.

Cost savings: $2.1 billion over 4 years. (HHS projection for 1997–2000).

2. Establish home health median limit.

Cost savings: $600 million over 4 years. (HHS projection for 1997–2000).

III. GRADUATE MEDICAL EDUCATION

A. Reduce Medicare's direct payments for Medical education:

Option 1: Base Medicare direct medical education payments on a national per resident amount derived from the national average of salaries paid to residents in 1987, updated annually by the Consumer Price Index (CPI) for urban areas:

Cost savings: $1.07 billion over 5 years. (CBO projection for 1995–1999).

Option 2: Base Medicare direct medical education payments on a national per resident amount derived solely from the average of salaries paid to residents:

Cost savings: $1.4 billion over 4 years. (OMB projection for 1994–1997).

Option 3: Reduce teaching and overhead payments for non-rural, non-primary care residents in their initial residency period and eliminate these payments beyond the initial residency, but continue to pay salaries and fringe benefits:

Cost savings: $1.225 billion over 5 years. (1994–1995).

IV. ELIGIBILITY AGE

A. Raise the Medicare entitlement age to 67:

Cost savings: Savings would begin in the year 2000 and build as the increase is phased in over 26 years. The potential savings would be approx. $60 billion per year immediately after the entitlement age reaches 67 in 2027. This amount is between $4.7 and $14.6 billion per year, depending on the measure used.

V. MEANS TESTING

A. Establish an income-tested deductible for the sum of payments under part A and part B of Medicare:

Cost savings: $55 billion annual savings. The authority of this option (CATO) estimate that it would reduce the growth of outlays from medical care by at least one percentage point.

VI. HEALTH MAINTENANCE ORGANIZATIONS (HMOS)

A. Standardize payments to HMOs:

Cost savings: $1.285 billion over 6 years. (OMB projection for 1995–2000).

VII. EXTEND PROVISIONS OF CURRENT LAW

A. Medicare secondary payment (MSP):

Cost savings: $2.680 billion over 2 years (HHS projection for 1999–2000; no savings in 1995–1998 because the current system covers up to 1998).

B. Permanently extend the data program to identify Medicare secondary payment (MSP):

Cost savings: $465 million over 2 years. (HHS projection; no savings before 1999 because current system is in effect through 1998).

VIII. ADMINISTRATIVE SAVINGS OPTIONS

A. MSP Overpayments:

Cost savings: Savings from this proposal depend on administrative action, including the allocation of sufficient discretionary funding to the HCFA to collect the estimated overpayments. While the maximum savings would be $961.6 million in the first year, it is unlikely that all of this sum would be collectable.

B. Increase Medicare oversight funding for the contractors that do claims processing:

Cost savings (savings in mandatory spending, but costs in discretionary spending):

Heritage Foundations—$5.4 billion over 5 years.

GAO—stated that CBO does not make estimates of this type of savings but does not disagree with GAO.

CHAPTER 4: PROPOSALS TO REFORM MEDICAID

1. Institutionalized care.

A. Nursing facility care (NFC):

1. Mandate state regulation of growth in the number of nursing home beds.

Cost savings: $625 million over 5 years. (CBO projection for 1995–1999).

B. Institutions for the mentally retarded:

1. Reduce to legally authorized levels of Medicaid payments to institutions for the mentally retarded.

Cost savings: $3.415 billion over 5 years. (HHS projection based on annual savings of $683 million).

MISCELLANEOUS

A. Managed care:

1. Require states to phases in managed care programs for Medicaid patients.

Cost savings: $10 billion over 5 years. (1995–1999).

B. Merge Women Infants and Children (WIC) with Medicaid:

Cost savings: $4.4 billion over 4 years. (1992–1996).

C. Impose higher premiums on Medicaid recipients with incomes over 100 percent of poverty:

Cost savings: $600 million over 4 years. (1992–1996).

D. Eliminate Medicaid transition benefits for AFDC recipients:

Cost savings: $750 million over 4 years (1992–1996).

E. Eliminate Federal matching in the Medicaid Program for the State Medicare buy-in:

Cost savings: $3.6 billion over 6 years. (1992–1996).

CHAPTER 5: PROPOSALS TO REFORM FEDERAL HEALTH CARE PROGRAMS

I. FEDERAL EMPLOYEES HEALTH BENEFITS

A. End the pay-as-you-go policy for Federal employees health benefits program and prefund Federal retirees' health insurance (pay-as-you-earn policy):

Cost savings: $11.6 billion over 5 years. Estimates of savings could vary greatly, depending on CBO's estimate of the timing of a Postal rate increase to finance this proposal. The recorded deficit would not change by adopting this proposal because the increased agency payments would simply represent transactions between accounts within the budget. But the option's coverage of government enterprises, primarily the Postal Service, would reduce the Federal budget deficit in the near term. The option would increase agencies' current costs, but the agencies could offset these increases by absorbing the costs through program reductions, or by increasing the postage and utility rates and thus decrease the budget deficit. Almost all of the savings would come from the Postal Service because it is highly labor intensive. Rate increases could not be effective before late 1996 or early 1997.

II. HEALTH CARE BLOCK GRANTS

A. Reduce funding by 50 percent for the maternal child health (MCH) block grant and the preventive health services block grant:

Cost savings: $1.7 billion over 5 years. (1992–1996).

CHAPTER 9: PROPOSALS TO REFORM MEANS-TESTED PROGRAMS

Part 1: Proposals To Reform Supplemental Security Income (SSI)

I. PROGRAMMATIC REFORM

A. Reduce the $20 exclusion from income in SSI:

Cost savings: $1 billion over 5 years.

B. Replace cash benefits with medical vouchers for SSI benefits to disabled children:

Cost savings: Not Available.

C. Review status of SSI child disability recipients upon eighteenth birthday:

Cost savings: Not Available.

II. ADMINISTRATIVE PROPOSALS THAT REQUIRE NO CHANGE IN LAW

A. Overpayments and debts:

1. Report the admission of SSI recipients to nursing homes in a timely fashion in order to stop overpayment of benefits.

Cost savings: $110 million over 5 years.

2. Use income tax offsets to recover SSI overpayments.

Cost savings: $82.5 million over 5 years.

3. Improve recovery SSI overpayments by offsetting reductions in Social Security payments.

Cost savings through legislation: $120 million over 5 years.

Cost savings without legislation: $46.5 million over 5 years.

Part 2: Proposals To Reform Welfare

I. NON-CITIZENS/ALIENS

A. Restrict eligibility for recipients of welfare assistance:

Option 1: Rescind the PRUCOL standard for AFDC, SSI, and nonemergency Medicaid and replace with a uniform standard for programs with a restricted list of eligible recipients.

Cost savings: Not Available.

Option 2: Deny all aliens, except refugees and elderly permanent residents, from eligibility for 61 programs, not including emergency Medicaid:

Cost savings: Not Available.

Option 3: Deny all aliens, with limited exception, from eligibility for 58 programs, not including emergency Medicaid:

Cost savings: Not Available.

II. FAMILIES AND CHILDREN

A. Cap the AFDC-emergency program:

Cost savings: $1.6 billion over 5 years.

B. Reduce benefits to AFDC families who also receive public housing benefits:

Cost savings: $3 billion over 5 years.

C. Eliminate the $50 child support payment to AFDC families:

Cost savings: $630 million over 5 years.

D. Decrease Head Start funding by 50 percent:

Cost savings: Not Available.

E. Limit Federal participation in States' costs for administering the Foster Care Program:

Option 1: This option would limit annual increases in payments to each state for administrative costs to 10 percent a year:

Cost savings: $150 million over five years (CBO Cost projections).

Option 2: This option would limit annual increases in payments to each state in the four following ways:

Cost savings: $1.793 billion over 5 years.

F. Require States to develop criteria and implement procedures for assuring that foster care agencies refer appropriate cases to State child support agencies:

Cost savings: $55 million over 5 years.

Part 3: Proposals To Reform the Food Stamp and Child Nutrition Programs

I. ADMINISTRATIVE PROPOSALS

A. Merge AFDC, food stamps, public housing assistance, the earned income tax credit (EITC), and other welfare programs into a cash assistance program requiring recipients without children to work for assistance:

Cost savings: $10 billion over 5 years.

II. CHANGES IN FEDERAL REIMBURSEMENT PROCEDURES

A. Change Federal administrative-cost reimbursements in welfare programs:

1. Reduce the reimbursement rate for administrative costs in AFDC, Medicaid, and Food Stamps to 45 percent.

Cost savings: $5.7 billion over 5 years.

2. Consolidate the administrative costs of AFDC, Medicaid, and Food Stamps into a single system, requiring states to pay at least half of all administrative costs and placing a cap on total reimbursable expenditures.

Cost savings: $6.3 billion over 5 years.

3. Require states to reimburse the Federal government for all food stamps overpayment errors caused by state administrators.

Cost savings: $5.6 billion over 5 years.

4. Deny Federal matching of administrative costs for expenses related to states appealing quality control sanctions in the Food Stamp, AFDC, and Medicaid programs.

Cost savings: Not Available.

III. PROGRAMMATIC REFORM

A. Eliminate food stamps, public housing, and other welfare benefits for all able-bodied adults:

Cost savings: $6 billion over 5 years.

B. Require all employable food stamp recipients to engage in workfare or job search:

Cost savings: $600 million over 5 years.

C. Food Stamp Benefits:

1. Eliminate small food stamp benefits.

Cost savings: $300 million over 5 years.

2. Limit child nutrition program subsidies.

Option 1: Increase targeting of school lunch and child and adult care food program on low-income persons by eliminating subsidies for children from families with relatively high incomes:

Cost savings: $3.07 million over 5 years.

Option 2: Restrict child nutrition and school lunch subsidies to families below 185 percent of the poverty threshold:

Cost savings: $5.7 billion over 5 years.

Option 3: End all child nutrition program subsidies for children with family income above poverty:

Cost savings: $1 billion over 5 years.

D. Count certain non-cash benefits in determining housing and food stamp assistance:

Cost savings: $6.15 billion over 5 years.

Part 4: Proposals To Reform the Unemployment Compensation Program

I. UNEMPLOYMENT COMPENSATION (UC)

A. Deny UC benefits to military personnel who leave voluntarily:

Cost savings: $1.4 billion savings over 5 years (1994–1998).

B. End unemployment compensation benefits for individuals with taxable income execeeding $120,000 a year:

Cost savings: $361 million over 5 years (1994–1998).

C. Substantially reduce unemployment benefits by delaying benefits for 1 month and reducing the benefit by 5 percent per week for 20 weeks:

Cost savings: $5.0 billion savings over 5 years (1994–1998).

D. Require a two-week waiting period before unemployment compensation benefits begin:

Cost savings: $4.6 billion savings over 5 years (1993–1997).

II. TRADE ADJUSTMENT ASSISTANCE

A. Eliminate trade adjustment assistance, including training and cash benefits:

Cost savings: $990 million over 5 years (1995–1999).

B. Eliminate trade adjustment assistance cash benefits:

Cost savings: $660 million over 5 years (1995–1999).

C. Congressional proposals:

1. Reemployment Act of 1994.

Cost savings: Not available.

2. Job Training Consolidation Act of 1994 (Sen. Kassebaum).

Cost savings: Not available.

III. PRIVATIZATION OF UNEMPLOYMENT BENEFITS

Cost savings: Not available.

Part 5: Proposals to Reform Veterans' Programs

I. GENERAL BENEFIT PAYMENTS

A. Eliminate subsidy for administrative costs of life insurance programs:

Cost savings: $113 million over 4 years.

B. Restore GI Bill Education Program funding ratio to 9:1:

Cost savings: $339 million over 4 years.

II. FACILITIES

A. Close or convert inefficient or underused VA facilities:

Cost savings: $1.2 billion over 5 years.

III. HEALTH CARE

A. Adopt a prospective payment system for veterans health care (Similar to the Medicare system):

Cost savings: $2.25 billion over 5 years.

IV. DISABILITY PAYMENTS

A. End VA disability compensation for non-service-related injuries and illnesses:

Cost savings: $950 million over 5 years.

B. Eliminate disability payments to veterans with diseases presumed not to be related to military service:

Cost savings: $616 million over five years.

CHAPTER 10: PROPOSALS TO REFORM THE PENSION BENEFIT GUARANTY CORPORATION

I. ELIMINATE THE VARIABLE RATE PREMIUM CAP BY 1997 AND RAISING THE VARIABLE RATE PREMIUM FROM $9 TO $18 FOR * * *

* * * * * *

3. Extend authority to recover costs from health insurers of veterans for non-service-related conditions.

* * * * * *

C. Restrict eligibility for disability compensation benefits:

Option 1: End payments to veterans with low-rated disabilities.

Cost savings: $3.25 billion over 5 years.

Option 2: Phase-out payments to veterans with non-service related or low-rated disabilities.

Cost savings: $2.6 billion in 2000.

V. LOANS

A. Loan fees:

1. Raise the loan fee for housing loans guaranteed by the VA.

Cost savings: $1.4 billion over five years.

B. Require down payment and fee for multiple use of loan guaranty:

Cost savings: $68 million over four years.

C. Permanently extend resale loss provision:

Cost savings: $80 million over four years.

VI. EXTEND PROVISIONS OF CURRENT LAW

A. Eliminate all ''sunset'' dates on certain provisions for veterans:

1. Permanently extend income verification through IRS.

Cost savings: $25 million in 1999.

2. Permanently extend pension limit to veterans receiving Medicaid care.

Cost savings: $190 million in 1999.

CHAPTER 11: PROPOSALS TO REFORM FARM PROGRAMS

I. CONSERVATION

A. End the Conservation Reserve Program:

Cost savings: $9.3 billion over 5 years.

(While the program costs about $1.8 billion per year it is estimated that the program saves about $1 billion in Federal expenditures in other farm programs. The $9.3 billion estimate probably does not account for this. Thus, the actual savings could be only $800 million per year, or $4 billion over 5 years.)

II. FARM SUBSIDIES

A. Crop subsidies

1. Phase out agricultural crop subsidies over 5 years at a rate of 20 percent each year.

Cost savings: $6.5 billion over 4 years.

2. Lower target prices subsidized crops.

Option 1: Reduce prices by 3 percent annually starting in 1995.

Cost savings: $11.2 billion over 5 years.

Option 2: Reduce prices by 1.5 percent in 1995 and 1996, and 3 percent for 4 years thereafter.

Cost savings: $4.5 billion over 5 years.

3. End Federal subsidies for rice and cotton.

Cost savings: $6.8 billion over 5 years.

4. Eliminate the 0/85 (formerly 0/92) and 50/85 (formerly 50/92) programs for participants in USDA commodity programs, which pay farmers to leave land idle.

Cost savings: $1.34 billion over 5 years.

5. Reduce the CCC outlays by lowering the number of acres eligible for deficiency payments from 85 percent to 75 percent of base acreage.

Cost savings: $3.94 billion over 5 years.

6. Increase assessments on ''non-program'' federally-subsidized crops starting in 1996.

Cost savings: $900 million over 4 years.

7. Require specific ''Endings-Stock-To-Use'' ratios for setting acreage reduction programs for feed grains.

Cost savings: $600 million over 5 years.

B. Livestock subsidies:

1. Dairy subsidies and supports.

a. End all Federal dairy subsidies.

Cost savings: $1 billion over 4 years.

b. Reduce costs for the dairy price support program by increasing the assessment on producers.

Cost savings: $1.2 billion over 5 years.

c. Reform milk marketing orders to reduce milk price support outlays.

Cost savings: $1.05 billion over 5 years.

2. Eliminate Federal support for honey.

Cost savings: $32 million over 4 years (assuming restrictive appropriations language does not continue in the future).

C. Means testing of subsidies:

1. Restrict eligibility for benefits from price support programs and reduce the payment limitation.

Cost savings: $2.73 billion over 5 years:

Limit farm price support payments to $50,000/person: $670 million over 5 years.

Limit farm price support payments to $40,000/person: $1.28 billion over 5 years.

Disqualify people whose Adjusted Gross Income exceeds $100,000: $300 million over 5 years.

Disqualify people whose gross revenue from commodity sales exceeds $500,000: $670 million over 5 years.

2. End Federal farm subsidies for individuals with annual net taxable income of more than $120,000 and corporations with annual net taxable income of more than $5 million.

Cost savings: $1.04 billion over 5 years.

3. Target CCC farm subsidy payments to farmers with off-farm incomes below $100,000.

Cost savings: $470 million over 5 years (1994–1997).

D. Cash repayments of USDA commodity loans:

1. Require cash repayment of USDA commodity loans and allow program administrators to set local repayment rates closer to prevailing market prices so the Federal Government no longer covers additional, unnecessary costs.

Cost savings: $320 million in 5 years.

III. AGRICULTURAL EXPORT PROGRAMS

A. Export subsidies:

1. Eliminate the Export Enhancement Program.

Cost savings: $4.16 billion over 5 years.

2. End EEP for individuals with annual net taxable income of more than $120,000 and corporations with annual net taxable income of more than $5 million.

Cost savings: $6 billion over 5 years.

B. USDA's Export Credit Programs; reduce loan guarantees made and eliminate loans to high-risk borrowers:

Cost savings: $1.14 billion over 5 years.

C. The Market Promotion Program:

1. Eliminate the Market Promotion Program.

Cost savings: $500 million over 5 years.

2. Permanently extend MPP at the lower OBRA–93 level.

Cost savings: $2.6 million over 5 years.

3. End Federal MPP subsidies for individuals with annual net taxable income over $120,000 and corporations with annual net taxable income over $5 million.

Cost savings: $500,000 over 5 years.

IV. DISASTER ASSISTANCE AND CROP INSURANCE

A. Replace the Federal Crop Insurance Program with standing authority for disaster assistance:

Cost savings: $1.6 billion over 5 years.

B. Require the FCIC to set premiums and pay indemnities based on an areas performance rather than that of an individual farmer

Cost savings: $551 million over 5 years.

CHAPTER 12: PROPOSALS TO REFORM MISCELLANEOUS ENTITLEMENT PROGRAMS

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

A. Charge market prices for electricity sold by power marketing administrations:

Cost savings: $4.8 billion over 5 years.

II. NATIONAL RESOURCES AND ENVIRONMENT

A. Improve pricing for commercial and recreational uses of public land:

1. Reform Federal water policy.

Option 1: Allow farmers who grow agricultural commodities that are in surplus to receive only one of the Federal subsidies: either crop price support payments or Federally subsidized water.

Option 2: Require that farms of more than 960 acres be charged the full cost of Federal irrigation water. Although current law contains this requirement, it is often circumvented because of the vague definition of the term ''farm.''

Cost savings: $110 million over 5 years.

2. Raise recreation fees at Federal facilities.

Cost savings: $720 million over 5 years.

B. Change the revenue-sharing formula from a gross-receipt to a net-receipt basis for commercial activities on Federal land:

Cost savings: $880 million over 5 years.

C. Index nuclear waste disposal fees for inflation:

Cost savings: $255 million over 5 years.

D. Charge royalties for hardrock mining on Federal lands:

Cost savings: $280 million over 5 years.

III. COMMERCE AND HOUSING CREDIT

A. Increase FCC user fees to cover all costs currently financed through the general fund:

Cost savings: $575 million over 5 years.

B. Charge a user fee on commodity futures and options contract transactions:

Cost savings: $310 million over 5 years.

C. Grant the Government an option to buy shares of depository institutions that convert from mutual to stock form:

Cost savings: $310 millon over 5 years.

IV. TRANSPORTATION

A. Establish charges for airport takeoff and landing slots:

Cost savings: $1.5 billion over 5 years.

B. Establish user fees for ATC services:

Cost savings: $7 billion over 5 years.

C. Impose user fees on the Inland waterway system:

Cost savings: $3.14 billion over 5 years.

V. EDUCATION

A. Reduce subsidies to students for Stafford loans:

1. Require students to pay in-school interest.

Cost savings: $9.56 billion over 5 years.

2. Raise the Loan Origination Fee.

Cost savings: $1.53 billion over 5 years.

B. Reduce Stafford loan spending by including home equity in the determination of financial need:

Cost savings: $400 million over 5 years.

VII. ALLOWANCES

A. Charge a penalty for early redemptions of saving bonds:

Cost savings: $240 million over 5 years.

Mr. HOLLINGS. Now, Mr. President, if you want your knees to buckle, read that. DICK ARMEY is right. If you want your knees to buckle, read that one, or listen to the discretionary cuts. I would not favor half of these. I probably would not favor 70 percent of these cuts. I have not gone down and said what I would cut.

I am trying, as I would, when I was chairman of the Budget Committee, to pose to the colleagues here the art of the possible. Here is what is necessary. Here is what has to be done. And then, assuming it is done, the key point here is those are 1996 outlay amounts. That amounts in 1997 to only $58.407 billion in cuts. If you look at 1997, you have to have $74 billion in spending cuts, so you are still $16 billion shy next year when you work on the budget. The same will be true the year after that, and the year after that, and the year after that.

You see, this is what my colleagues have to understand. If they do not put the budget on a glidepath to zero now, you will always be playing catch-up. The next thing you know, you'll be moving the targets.

Now, let us not talk fancifully. I will never forget, Mr. President, when the distinguished Senator from New Mexico—we all act like government started up when GINGRICH came to town. We have been in government for quite a while, and several items in the contract, of course, we not only have favored, we cosponsored 10 years ago. The line-item veto. I used the line-item veto as a Governor 35 years ago. So it is not an invention in a contract. Last year, the distinguished Senator from New Jersey, Senator BRADLEY, and I tried again. We got 53 votes. The idea is separately enroll individual items so the President can veto legislation like we do at the State level.

Many of these so-called new ideas have been tried before. Back in 1986, the distinguished chairman and ranking member of the Budget Committee got nettled in the debate because colleagues on both sides of the aisle were chastising him saying, ''Why don't you put in the cuts? Why don't you put in the cuts?'' So in a fit of, let us call it, sobriety, the Domenici–Chiles modified amendment was introduced expressing the sense of the Senate that some 44 programs be terminated. And I will ask that the list be included in the RECORD. You hear the same song in the Contract With America. We are going to do away with the ICC. We are going to do away with weatherization assistance. We are going to do away with the community services block grants and the travel and tourism administration.

Mr. President, I ask unanimous consent that those programs be reprinted at this particular point in the RECORD.

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

REAGAN BUDGET CUTS—1986

Work incentive program (WIN).
General revenue sharing.
Conrail.
Trade adjustment assistance to firms.
Appalachian Regional Commission.
Economic Development Administration.
Urban development action grants.
U.S. Travel and Tourism Administration.
Export-Import Bank direct loans.
Community services block grant.
Rental housing development action grant (HODAG).
Section 312 rehabilitation loan fund.
Postal Subsidy.
FEMA supplemental emergency food and shelter.
Advanced communications technology satellite.
OPIC insurance programs.
Amtrak.
Interstate Commerce Commission (terminations and transfers).
Washington Metro construction grants.
Maritime cargo preference expansion.
EPA sewage treatment grants.
Impact aid (type ''b'' students).
Library programs.
Small higher education programs.
State student incentive grants.
College housing loans (new loans).
Public Health Service (health profession subsidies).
Legal Services Corporation.
Certain soil conservation programs.
Federal crop insurance program.
Rural housing loans/grants.
Small Business Administration (eliminations and transfers).
Rental rehabilitation grants.
Section 8 moderate rehabilitation.
Section 202 elderly and handicapped housing.
Section 108 loan guarantee program.
Rural development program.
Rural Electrification Administration subsidies.
Weatherization assistance program.
LANDSAT (eliminate future subsidies for contractors).
Sea grant and coastal zone management grant programs.
Juvenile justice grants.
Justice State-local assistance grants.
Public debt reimbursements to Federal Reserve Banks.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from South Carolina.

Mr. HOLLINGS. So the Senator from New Mexico, under the best of the best dismantlers of Government, President Ronald Reagan, made the motion that we terminate these programs. In other words, what he did was take the Reagan spending cuts.

Everyone has said, ''Oh, if they only took the cuts.'' They have claimed that Congress went ahead with increases in defense and other programs, but never enacted the cuts like we were supposed to do. We tried with a sense-of-the-Senate. Do you know how many votes they got? Mr. President, 14 votes out of the 100.

So we have a track record. We have tried it before, 10 years ago. We will try it again. But we have to face the facts as the facts face us. We could not get it done then and I am sincerely concerned that we will not get it done now. But that is no reason not to try. I am not trying to mislead the colleagues. I am willing to consider every spending cut offered by my colleagues. But my colleagues must realize that every dollar in savings we fail to achieve through spending reductions, we must make up through taxes.

With a 5-percent VAT, we can get the job done. We had eight votes for this particular initiative in the Budget Committee. The distinguished Senator on the other side of the aisle from Minnesota, Senator Boschwitz, and the distinguished Senator from Missouri, Senator Danforth, joined with the Senator from South Carolina and we were conscientious about our charge. And none of us wanted to vote for taxes. If you want to run for reelection on this particular platform, do not come to South Carolina. I tried it, and barely survived. I was known as ''High Tax HOLLINGS'' for putting out such proposals.

Nowhere did the press say I was trying to cut interest taxes. Nowhere did the press say I was trying to cut spending. You cannot get that explanation on a 20-second sound bite. So they take advantage of the printed RECORD and they distort what you are trying to do.

If we exclude the trust funds, cut spending by $406 billion, and enact a 5-percent VAT, we can finally eliminate the deficit by 1999. Even then, though, we will still have annual gross interest costs of $368 billion—that is more than a billion a day—on interest costs on the debt. So interest taxes are still on automatic pilot. It is not until the year 2002, when you have dropped from $368 billion to $354 billion, that you have finally have gross interest costs on a downward path. But it has to be done.

I have one sheet of paper here that outlines the scope of the problem. Here it is. This does not include the billions necessary for middle-class tax cuts. Both sides have been misguided in pandering to the middle class. Brother, this is no time for middle-class tax cut or any other tax cut. The problem is a shortage of revenues. The only way to stop spending on automatic pilot, the only way to stop raising interest taxes is to make the spending cuts you can and to raise taxes. I have outlined one way of doing it.

I am going to introduce this amendment but I want to remind my colleagues what we have created is a matter of record. It is what the distinguished Presiding Officer has come into town to confront.

We were here and we went through this charade. We dignified it with a commission. This Senator went through with it with President Richard Milhous Nixon. He said get rid of the Government and send it back in block grants.

Then came President Reagan and he had appointed a Presidential Advisory Committee on Federalism and the Coordinating Task Force on Federalism. This Senator, at the appointment of the distinguished President, served with other Senators.

I ask unanimous consent that we have printed in the RECORD this list of commission members.

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

PRESIDENTIAL ADVISORY COMMITTEE ON FEDERALISM

GOVERNORS

Gov. George Busbee (D–Georgia).
Gov. Scott M. Matheson (D–Utah).
Gov. Lamar Alexander (R–Tennessee).
Gov. James R. Thompson (R–Illinois).
Gov. Pierre S. DuPont IV (R–Delaware).
Gov. Richard A. Snelling (R–Vermont).

STATE LEGISLATORS

Representative T. W. (Tom) Stivers (R–Idaho).
Senator Ross O. Doyen (R–Kansas).
Senator Ann Lindeman (R–Arizona).
Speajer Benjamin L. Cardin (D–Maryland).
Speaker John J. Hainkel, Jr. (D–Louisiana).
Assemblyman Dean Rhoads (R–Nevada).

MAYORS

Mayor Edward I. Koch (D–New York City).
Mayor William H. Hudnut III (R–Indianapolis).
Mayor Margaret Hance (R–Phoenix).
Mayor Ferd Harrison (R–Scotland Neck, N.C.).
Mayor Tom Moody (R–Columbus, Ohio).

COUNTY OFFICIALS

J. Richard Conder (D–Richmond County, N.C.).
Roy Orr (D–Dallas County, Tex.).
William Murphy (R–Rensselaer County, N.Y.).
Sandra Smoley (R–Sacramento County, Calif.).
Bruce Neslande (Nonpartisan–Orange County, Calif.).
Donald L. Smith (R–Anchorage Municipality, Alaska).

MEMBERS OF THE U.S. SENATE.

Senator William V. Roth, Jr. (R–Delaware).
Senator David Durenberger (R–Minnesota).
Senator Pete V. Domenici (R–New Mexico).
Senator David L. Boren (D–Oklahoma).
Senator Ernest F. Hollings (D–South Carolina).
Senator Paul Laxalt (R–Nevada).

MEMBERS OF THE HOUSE OF REPRESENTATIVES

Representative Richard T. Schulze (R–Pennsylvania).
Representative Richard Bolling (D–Missouri).
Representative L. H. Fountain (D–North Carolina).
Representative Clarence Brown (R–Ohio).
Representative Frank Horton (R–New York).
Representative Jack Brooks (D–Texas).

PRIVATE CITIZENS

F. Clifton White.
Dr. Robert B. Hawkins.
C. D. Ward.
Former Senator Clifford Hanson.
Former Gov. Otis Bowen.

THE COORDINATING TASK FORCE ON FEDERALISM

Senator Paul Laxalt, Chairman.
Secretary Terrel Bell.
Secretary Samuel Pierce
Secretary Donald Regan.
Secretary Richard Schweiker.
Secretary James Watt.
Director David Stockman.
Edwin Meese III.
James A. Baker III.
Richard S. Williamson.
Martin Anderson.
Robert Carleson.

Mr. HOLLINGS. We went into the Cabinet room and sat around the table. You could see the beginning of unfunded mandates for the cities, the counties, and the States. They said get rid of the Government, get rid of it, send it back to the cities, the counties, the States. But what they did was eliminate the money in October 1986. The first bill that the distinguished Senator from Tennessee, Senator Howard Baker, introduced was a revenue sharing bill. I had already introduced mine on February 1, 1967. We had both come from State governments and we were complaining then about unfunded mandates.

So this has gone on from 1971 to 1995, some 24 years. I came to Washington and identified with the problem. We did get revenue sharing. But then, we unfunded the edicts of the Congress in October 1986, when we did away with revenue sharing.

Coming right to the point, I want to refer to the former director of the Office of Management and Budget, David Stockman. In the spring of 1992 he had an article that appeared in a magazine called the New Perspective entitled ''America Is Not Overspending.'' That ought to throw everybody into shock.

The distinguished Congressman from Georgia along with our friend, Congressman KASICH are putting government on trial. But I do not mean to tuck tail and run, as Lyndon says. I mean to try the case.

Where we can get a line-item veto, where we can get a balanced budget amendment, where we can get progress on reducing the deficit, they will have my vote. If we do not adulterate the legislation, like the unfunded mandates bill. I did not realize many of the changes made in S. 1 until the distinguished Senator from West Virginia came here and brought them to my attention.

I publicly stated that I favored the legislation to address the problem of unfunded mandates. Such a bill was brought to the floor last year.

Unfortunately, in their zeal to demonstrate how they can really run government up here, the Republicans have been overreaching. I want to help them. But I do not want to end up with a problem worse than the one we started with. If we do not move in at this particular hour in history, how will we ever get on top of this spending hemorrhage?

Let me get back to David Stockman. I quote:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction Republicans have willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with the mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we cannot grow our way out.

Mr. President, very quietly, let me read that first sentence because it is almost heretic. ''The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability.'' That is exactly what we have going on now. History repeats itself. As Ronald Wilson Reagan says, ''Here we go again.''

As Governor of South Carolina, my first order of business was to raise some taxes, balance the budget, and get for the first time in our history a triple-A credit rating. Moody's has raised us back to us a triple-A credit rating. We had lost it for the past couple of years. Standard and Poor's still has yet to do so. But the need to get that triple-A credit rating reveals a funny juxtaposition of politicians running for office. I cannot run for Governor of South Carolina unless I promise to pay the bill; I cannot run for Senator of South Carolina unless I promise not to pay the bill.

As a House Member of the South Carolina House of Representatives in 1950 I was trying to catch up with North Carolina. They had passed their sales tax for education in 1936. Following suit, I authored the sales tax. I heard arguments about its regressivity. But if we had not passed that 3-percent sales tax—which now is at 5 percent—we would never have had the schools. In addition to balancing the State budget, we would never have had the educational system to attract investment, to attract blue chip corporations, to attract Japanese and German industries.

I was here in Washington the last time we had a balanced Federal budget. We called back over to Marvin Watson and said, ''Ask the President if we can cut another $5 billion.'' The entire budget—Medicare, defense, domestic discretionary, everything else, interest on the national debt—was $178 billion.

Watson called back and said, ''President Johnson said cut it another $5 billion.'' We cut it and gave President Richard Milhous Nixon a balanced budget.

I am hearing all this stuff about a revolution 40 years in the making. They are getting away with a lot of flourish and rhetoric and headlines. But I have listened now since the beginning of the session, and somehow, some way we have to develop some bipartisanship. We are never going to do that unless we can get some truth in budgeting.

If they do not want to raise taxes and want to balance the budget only through spending cuts, then they are whistling Dixie. You have to do both. You have to freeze everything to begin with, obey the caps, and then follow with additional spending cuts. And even with the spending cuts and the 5-percent VAT, you do not really get into the black until 1999.

Mr. President it is a very, very difficult thing that the contract has taken up. That is why this Senator is not trying to out-headline the Republicans on the other side of the aisle. I prefer headway to headlines. I will continue to work with my friends on the other side of the aisle. I worked last year with Republicans on the telecommunications superhighway. We have had hearings galore on the subject and we had a bipartisan bill 18 to 2 out of the committee.

The overwhelming majority of Republicans, with an overwhelming majority of Democrats, in a bipartisan information superhighway bill that had been worked out with various groups who all wanted these services to be extended to the poor and to the public education systems. That was ready to be passed. But the distinguished majority leader—and it is of record—the Senator from Kansas held it up. I do not say that lightly. I can show it to you in the RECORD. We were ready to go bipartisan then, and I am ready to go bipartisan now. Let us not come with just the headline and no headway. As Tennessee Ernie Ford sang, ''Sixteen tons and what do you get, another day older and deeper in debt.''

Mr. President in closing I ask unanimous consent that a table entitled ''Senator Hollings on Truth in Budgeting'' which I have been referring to throughout my speech be printed in the RECORD at this point.

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

SENATOR HOLLINGS ON TRUTH IN BUDGETING

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

Reality No. 2: Not enough savings in entitlements. Yes, welfare reform but job program will cost; savings questionable. Yes, health reform can and should save some, but slowing 10 percent growth to 5 percent—not enough savings. No, none on Social Security; off-budget again.

Reality No. 3: Hold the line budget on Defense—no savings.

Reality No. 4: Savings must come from freezes, cuts in domestic discretionary—not enough to stop hemorrhage in interest costs.

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

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

Note.—Doesn't include billions necessary for middle-class tax cut.

AMENDMENT NO. 182

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 182.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING CONGRESSIONAL ENFORCEMENT OF A BALANCED BUDGET

It is the Sense of the Senate—

(A) that the Congress should move to eliminate the biggest unfunded mandate—interest on the national debt, which drives the increasing federal burden on state and local governments, and

(B) that prior to adopting in the first session of the 104th Congress a joint resolution proposing an amendment to the Constitution requiring a balanced budget—

(1) the Congress set forth specific outlay and revenue changes to achieve a balanced federal budget by the year 2002; and

(2) enforce through the Congressional budget process the requirement to achieve a balanced federal budget in the year 2002.

Mr. HOLLINGS. Mr. President, they always say, ''He who seeks equity must do equity.'' If we are asking the other side to lay it out, then I think it is our duty over here to lay it out, too. That is what I have attempted to do.

So, Mr. President, I see my distinguished colleague wants to come back and be recognized. So 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. DODD. 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. DODD. Mr. President, first of all, I want to commend my colleague from South Carolina for this amendment. I know there will be those who will argue that this amendment is an inappropriate amendment on this particular bill because we are dealing with unfunded mandates. But I suggest, Mr. President, that the amendment offered by the distinguished Senator from South Carolina is consistent fully with the matter before us—unfunded mandates. In the likely event that we adopt a constitutional amendment requiring a balanced budget, particularly one that includes a requirement that three-fifths of the Congress approve new tax increases, we will be imposing a huge mandate on States and localities. It may not be a de jure mandate, but it will be a de facto mandate.

What Senator HOLLINGS is suggesting with this amendment is a radical notion, I suppose, in the minds of some. It is an outrageous idea that we should have some idea of how this constitutional mandate requiring a balanced budget in 7 years is going to be achieved. I know there are those who think it is unfair to be asking such questions, but they are questions we are asked as Members of the U.S. Senate by our constituents all the time.

Many of our constituents are telling us, too, that they support a constitutional amendment to balance the budget. We all know the polling numbers on this issue. Eighty percent of the American public supports a balanced budget amendment as long as it remains a slogan or a simple statement of principle. They are all for the concept of the balanced budget. But what happens when people are presented with various spending cut options?

If you say, ''Do you want a constitutional amendment to balance the budget?'' They say, ''Absolutely, we want that.'' But if you then say, ''You understand, of course, that may include some cuts in Social Security.'' They say, ''Well, now, wait a minute, you did not tell me that.'' You say, ''How about Medicare?'' They say, ''Wait, you are getting a little far afield here. I said I want the budget in balance. That is what I want. I did not say I wanted Social Security or Medicare cut.'' You say, ''How about education?'' They say, ''That is not what I meant either. Just balance that budget.'' Then you start talking about how you get there from here, and you start to get what you always get. It is like the old saying that ''Everyone wants to go to Heaven, but no one wants to die.'' So we all want a balanced budget but we are all very nervous about how you get there.

Let me back up a bit, because I listened to my colleague from South Carolina talk about his history on this issue, and he has a distinguished one, going back to the very days the Budget Act was adopted. He is one of only two people who served on the original committee and chaired the Committee on the Budget.

Mr. President, I am familiar with the Senator's record because I worked with him on a number of important budget issues going back to my first days here in the early 1980's. I was the second Democrat after the Senator from South Carolina to cosponsor the Gramm–Rudman-Hollings legislation. Really, it was the Gramm–Rudman-Hollings-Dodd bill. I thought that the Senator from Texas and the Senator from New Hampshire and the Senator from South Carolina had a good idea, to try statutorily to get our arms around the budget of the United States. I will not take a back seat to anybody in our efforts in try to achieve that goal.

In 1982, I offered a requirement that any new increase in spending must be paid for fully—a pay-as-you-go budget. I offered this amendment from the very last chair in the far corner of this floor when I was the most junior Member of this body. I got 22 votes. I was in the minority in those days, not unlike today. Had we done it then, we are told we could have actually had the Federal budget in balance by 1986 or 1987. With all the talk about the need for constitutional amendments, there are those of us who have been through these battles, trying all sorts of ways to inject discipline into the process.

I hope, as we examine the constitutional amendment, we would answer our constituents' questions. They want to know how we are going to do this. That's what this amendment requires. It simply says if you're going to talk the talk of balanced budget, you've got to walk the walk of how you get there. I hope it will be adopted so that we will be able to lay out to the taxpayers in our communities exactly how we are going to keep the promises that a balanced budget amendment would require.

The GOP spending cut plan is like Forrest Gump's box of chocolates—you don't know what you're going to get when you dip your hand in.

All the Senator from South Carolina is suggesting is that we have a description of the chocolates before we put them in our mouths. Otherwise, we're talking about a huge potential stomach ache.

That is all this amendment asks. It does not say, ''Do not cut in these areas.'' It just says, ''Tell us. If this is what you are going to do, at least somebody outline it.''

I might point out, there are some significant proposals outlining how we might do some of this. I would like to lay one of these out, if I may.

Mr. President, this is a chart based on the Republican budget staff proposal reported in the Washington Times earlier this month. This is the so-called Republican path to a balanced budget amendment in the year 2002.

The deficit estimates are lower then CBO and Treasury projections, but they are still useful.

As you can see, the proposal estimates that it will cost more than $1 trillion to balance the budget over 7 years. The GOP tax cut proposal, according to the Republican staff analysis will cost $346 billion more.

The Treasury Department estimates that the tax increases will be somewhat higher. I am not going to use these numbers, though, Mr. President. I will use only the staff numbers from the majority side of the Budget Committee so that no one can accuse me of using biased numbers prepared by a Democratic administration.

The GOP proposal also says that we are not going to reduce Social Security. That has been said over and over and over again by the majority. In fact, we are told that Social Security will go up $12 billion in the next 7 years.

We have been also told that there will be an increase in defense spending of $82 billion.

So if you take all of these numbers together—again, not numbers from the Democratic Policy Committee, or the Department of the Treasury, or even the Congressional Budget Office, but from the Republican Budget Committee staff—then the price tag for all of these promises is $1.53 trillion. This is the total cost that will have to be made up by the year 2002 if we are going to achieve a balanced budget in that year.

How will we pay for all of these promises? Where will they be made up? If we increase defense and Social Security spending, cut taxes, and balance the budget, what will we cut?

This second chart shows where the cuts to pay for these promises will come from. According to the Republican staff numbers, more than $970 billion will come from Medicare cuts, Medicaid cuts, and other mandatory spending. And $386 billion will come from nondefense discretionary spending.

If we make these cuts, then we should get a debt service reduction of $164 billion. So that number in green here, is the number which would depend upon these other two numbers being achieved. And that would get you to $1.53 trillion, equaling the amount I mentioned earlier. That is how we reach balance.

All this amendment says is, ''Would you mind giving us some idea so we can go back to our taxpayers and constituents and tell them specifically how we are going to achieve more than $1.5 trillion in spending cuts? Where will the cuts come from? Don't go around asking us to support a conclusion without giving us some idea of how we are going to achieve those results.''

Earlier the Senator from South Carolina introduced into the RECORD, Mr. President, a list that was put together by our distinguished colleague from New Hampshire, Senator GREGG outlining options for spending cuts. They include reducing student loan subsidies, means testing Medicare, cutting in half funding for Head Start—maybe one of the finest programs for children and early education ever devised—the maternal child health block grants, and preventive health services block grants, deferring military COLA's, cutting veterans benefits, and eliminating Medicaid transition benefits for AFDC recipients. The list is 50 pages long.

I am not suggesting that these items should not be touched at all, but it seems to me you are beginning to get some sort of a blueprint here of what is involved.

As the Senator from South Carolina pointed out, when you start counting whether or not you have 51 votes here for cutting out student loans—at the very time when working families are trying to make it more feasible for their kids to afford higher education—you are going to realize you cannot pass these cuts.

Nor do you have the votes for cutting Head Start. I was responsible for the reauthorization of the Head Start Program last year. There was not a dissenting vote or voice out of 100 U.S. Senators on the reauthorization of Head Start—not one. It was passed unanimously by voice vote. And yet now some are talking about cutting that program in half.

I do not know many Senators here who honestly believe you ought to be cutting Head Start in half. And if there are some, there may be 3 or 4 or 5 or 10. I do not think there are 51 here who studied the program and believe it should be cut. Head Start has not been a Democratic program, or a Republican program—it has always enjoyed broad, bipartisan support.

The distinguished Senator from Kansas [Mrs. KASSEBAUM] worked tirelessly to put together a good Head Start Program last year. Without her support, we would not have gotten it done. I am not going to speak for her here. But again, there was not some great battle out here on the floor of the U.S. Senate to reauthorize and fund Head Start.

Does anyone really believe there are 51 votes to cut veterans benefits? Are we going to defer military COLA's—at a time when we are trying to strengthen the military budget, and attract and retain the most talented people we can find. Are there 51 votes? I do not think so.

It seems to me, before you start jamming this into the Constitution we ought to think through all of these important issues. If a balanced budget amendment is adopted and we are unable to balance the budget, then we will turn the Supreme Court of the United States into a Budget Committee deciding every major budget choice. The Supreme Court will be deciding whether or not the legislative branch achieved the constitutional requirement of a balanced budget, and then they will decide how to allocate funding levels.

I remember a few years ago people railing, and I think rightfully so, against an unelected, lifetime appointee sitting on a bench legislating—legislating. I do not know how many speeches I heard in this body objecting to the nine members of the Supreme Court legislating.

That is the business of this body, to legislate. And yet, in effect, we will be asking the Supreme Court of the United States to legislate on the budget when we do not achieve, if we do not achieve, the balance which is required by an amendment in the year 2002.

So I again suggest and emphasize here what the distinguished Senator from South Carolina is proposing makes some sense. We are likely to create a train wreck, an absolute train wreck. An absolute train wreck. Now, we have done that in the past. But the problem in the past was not as significant because it was a statutory train wreck. It did not go to the organic law of the United States. What is being talked about here is changing the organic law of the United States. Of course we know when we do that we run the risk of having a far more difficult time adjusting if we are wrong.

In the 1980's, we did things by statute. We had the Gramm–Rudman-Hollings proposal, and a number of freezes and the like. We found out they did not quite work as expected. When tested, the theories did not add up. We went back and changed the statutes and began to get on our feet.

The people who paid the greatest price, of course, for our mistakes were middle-income workers. They always do. And, they will be undoubtedly called upon to do so again when the next train wreck occurs. We always go back to the people that fight the wars and raise their taxes. They are the ones who will pay the bill if this does not work.

The difference here is organic law. When we change organic law and then discover a mistake, it is very difficult to correct. I think we should proceed cautiously and carefully and ask the types of questions that our constituents are asking of us.

Where will the cuts be made? How will you do this? Are you really going to go after Medicare? We saw what happened on the surveys conducted on the balanced budget amendment, 80 percent or so are for it. But when we talk about cutting student loans, education, Medicare, Social Security, et cetera, the support for that amendment drops dramatically. I am not suggesting these programs should never be reduced. I would not want to suggest that we should never make changes in any of these programs. I would not subscribe to that view.

I have been here long enough to know what happens when we try to make difficult budget choices. As I mentioned a while ago, I offered a pay-as-you-go proposal. I did not pick out a particular program. I said how about paying for everything? We had 22 votes for paying for things. Now when we start requesting details, people start trying to take things entirely off the table. Forget Social Security some will say. That is off entirely. Others will say take defense spending off the list of any potential cuts. Although there is an argument being raised by some that we can do with a lot less, I, for one, would raise some reservations about that. The world is changed, more complicated, requires different thinking in this area.

I do not know of anyone who really believes, at least not a majority, that we ought to take a meat ax to the defense budget. We have heard over and over again from the military leadership that it is difficult to retain good people. We do not have a draft any longer. We have to recruit, and we need the best educated, sophisticated people in the military that this country has to produce. And it does not make sense to be talking about slashing COLA's for people in the military.

Let me again point out if I can, Mr. President, what these cuts may mean. A recent study by the children's defense fund reports that the costs of balancing the budget alone—while protecting Social Security and defense spending—would result in: 7.6 million children losing federally subsidized school lunches—I do not think there are 51 votes here to do that; 6.6 million children losing health care coverage through Medicaid; dropping more than 5 million child support cases that hold absent parents accountable for supporting their children; 4.3 million children losing food stamps; and 2 million young children and pregnant women losing nutritional assistance through the WIC Program—one of the strongest supported programs in Congress. The Women, Infants, and Children Program historically has had strong bipartisan support.

This analysis does not consider the costs of financing the Contract With America tax breaks at all—more than 30 percent of which would benefit households with incomes of greater than $200,000.

So, Mr. President, I suggest we look through the eyes of a child at what this means. We should face the realities here. I do not know of anyone in the body who honestly believes that children ought to be asked to pay the price. We ought to be seeing to it that they will not be disadvantaged. We are not talking about luxury items here. We are talking about basic essentials that they need. So, again, I emphasize that a good hard analysis of what all of this means, I think, is critically important for all of us.

There is an old advertisement on television that may say it best. That advertisement for a Wall Street firm says, "We make money the old-fashioned way." Well, maybe we ought to reduce the deficit the old-fashioned way. That is, we ought to roll up our sleeves and go to work on it.

I heard a lot of talk here over the last number of weeks about reducing the deficit. This administration over the past 2½ years has achieved through the budget process real reduction in the deficit. That is not my conclusion. That is the conclusion of the Congressional Budget Office and others who have no particular ax to grind. They have concluded that we have achieved 3 consecutive years of deficit reduction, the first time since the Truman administration, to the tune of $700 billion in deficit relief. That is pretty significant.

We must continue on this path. We must look at current programs, and ask these questions. How can we do a better job? Where can we cut back? We must roll up our sleeves and do the job.

The one thing people are tired of and they expressed it strongly on November 8 is gimmickry. The blue smoke and mirrors, three-card monte, now-you-see-it, now-you-do-not, kind of approach. Dynamic scoring. Threatening to do away with the Bureau of Labor Statistics if they do not come up with the right numbers on inflation. That is not the way we achieve a balanced budget. We must not cook the books and make up the numbers. People want Members to be honest and do the real work.

I would just warn those who are strong advocates for the constitutional approaches, we have gone through more than 200 years of history. We have amended the Constitution, Mr. President, 27 times. I see the distinguished Senator from West Virginia and I will watch him carefully because if I am wrong on my numbers he will correct me with a nod; 27 amendments in 200 years, and I believe roughly 11,000 proposals to amend the Constitution of the United States in that same 206-year-period. Some 11,000 ideas. And never once have we decided to inject into the Constitution economic theories that may be terribly wrong.

We have been through a great Civil War. We have been through two world wars, and a Great Depression in this century. For a period of 15 years we have had growing deficit difficulties. The last President to submit a balanced budget was Jimmy Carter. That was the last submission by a President of a balanced budget. In 1969, Lyndon Johnson submitted the last budget with a surplus.

In 1981, the deficit was around $35 billion with a national debt of under $1 trillion. After 200 years, we had a national debt of less than $1 trillion. In the last 15 years, 12 years of the administrations of President Reagan and President Bush, we have quadrupled the national debt, and brought us to annual deficits hovering around $200, sometimes $300 billion a year.

We all want to do what we can to balance the budget. But I would strongly urge, Mr. President, that we ought not to take 15 years of troublesome deficit spending and deny 205 years of constitutional history in the process. We should go through the statutory process, come up with whatever ideas we can. But, Mr. President, in my view, we will deeply regret monkeying around with the Constitution of the United States in trying to solve an economic problem that has been created over the last 15 years that is not insolvable. It is solvable.

By writing this into the Constitution and inviting the courts to become involved in deciding these matters we will only complicate the problem, not make it easier. We are told all the time, some 42 States require a balanced budget in their State constitutions. Mr. President I would suggest to Senators that without exception those States have come up with all sorts of ideas to avoid that responsibility.

Everyone knows about bonding. We bond things or create a capital budget on the side so we do not have to meet that obligation. Every imaginable gimmick is used to avoid making the difficult decisions. I can well imagine that future Congress' will employ some new dynamic scoring technique, or some new threat to the Bureau of Labor Statistics that, if they do not come up with an inflation number they like, they will cut off your budget. That is not healthy. That is not the way to be proceeding, not the way to be proceeding at all. It poses serious, serious problems.

So, again, I strongly urge that we endorse unanimously the proposal of the Senator from South Carolina. I think it sends a positive message to people that we are concerned about what happens. I will tell you right now that it is not at all reassuring to hear the majority leader of the House of Representatives say that we cannot tell people out there how we plan to balance the budget because their ''knees will buckle.'' That is not a reassuring quote. I am sure my constituents are going to love to hear that one. We cannot tell you because your knees may buckle. Well, I do not mind a politician's knees buckling, but I do not think my constituents who depend upon Medicare should have to have their knees buckle or some child out there that needs a school lunch or Head Start Program should have to have their knees buckle in the process. Do they not have a right to hear from their elected representatives in advance what we intend to do to them?

Is it a radical notion that somehow our constituents ought to get at least some blueprint of how this is going to work and who is going to be asked to pay? Is it outrageous of them—are they being insolent for demanding of their elected representatives that we give them some idea of how this is going to be achieved? Should we not tell them because they might not like what they hear? That is what we are saying, in effect, we should not tell them because they might not like what they are going to hear.

This is not a base closure commission we are talking about; we are talking about making major changes to basic programs that people need to survive.

Again, if the pain is going to be shared, let us do it in an equitable fashion. But when you take off Social Security and take out defense and you talk about huge tax cuts—30 percent of which go to people making in excess of $200,000—are you being fair? I am not opposed to giving people in the upper incomes a tax break. I do not like this class-warfare language. But in the distribution of pain, you have to ask if 30 percent of the tax cuts should come from the people in that income bracket. I do not think so if it is going to be fair and equitable.

The Senator from South Carolina, I think, has proposed a reasonable amendment. I urge my colleagues to support this effort to inform the American public of the important budget decisions this body intends to make in the years ahead.

Mr. President, we are going to have wonderful opportunities, I presume, in the next few weeks, when the constitutional amendment on the balanced budget comes to the floor, to engage in some significant debate about that alone. But before we get there, I think we should lay out the details of how we plan to pay for our trillion dollar plus promises.

I strongly urge my colleagues to support the Hollings amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I know that we do have those Senators who wish to address this issue. I know that the chairman of the Senate Budget Committee also would like to address this particular amendment that we have before us. I have discussed the following unanimous-consent request that I will be making with the sponsor of the amendment.

Mr. HOLLINGS. Will the distinguished Senator yield? Can we make it 40 minutes? Instead of 30 minutes to a side, 40 minutes to a side?

UNANIMOUS-CONSENT REQUEST

Mr. KEMPTHORNE. All right.

Mr. President, I ask unanimous consent that there be 80 minutes for debate prior to a motion to table the pending amendment, to be equally divided in the usual form; that no amendments be in order prior to the motion to table the pending amendment; that following the conclusion or yielding back of time, the majority manager, or his designee, be recognized to make a motion to table the pending amendment; and that the vote on the motion to table the pending amendment occur after 4 p.m. tomorrow.

Mr. BYRD. Reserving the right to object.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object.

Mr. HOLLINGS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Also the yeas and nays. I am sure the distinguished Senator from Idaho, if it is agreed to—and I am perfectly willing to agree to it as he stated it—will also ask for the yeas and nays on the motion to table.

Mr. KEMPTHORNE. That would be my intent.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Reserving the right to object, and I do not think that I will, Mr. President, I have an amendment that is similar. It is very much within the same framework, though without reference to date. I do not think it would take me more than 10 or 15 minutes to offer this. I wonder whether I could, as a part of this unanimous-consent agreement, have the opportunity to offer this amendment after this debate since it is exactly within the same framework. I would not take a great deal of time with it.

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

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. And I will object because I think there are some Senators who are probably not here this afternoon who may want to discuss this amendment.

Also I note that no other amendments would be in order prior to the motion to table this amendment. I thought we would have a time in which we could offer amendments, possibly get some action on some of them and with the understanding and the request being, which was ordered, that such amendments would have to be offered——

Mr. KEMPTHORNE. Will the Senator yield?

Mr. BYRD. By no later than 3 o'clock——

Mr. GLENN. Offered by 3 o'clock tomorrow, no votes until after 4 o'clock tomorrow.

Mr. BYRD. Yes.

Mr. KEMPTHORNE. If the Senator will yield.

Mr. BYRD. Yes.

Mr. KEMPTHORNE. This specific unanimous-consent agreement is that there are to be no other amendments offered to this pending amendment of Senator HOLLINGS.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Reserving the right to object. Knowing that we have to have our amendments offered before 3 o'clock tomorrow, would it be possible that there could be a short window to allow those of us who only wish to offer amendments in order to meet that 3 o'clock deadline to do so and thus be assured that we will not end up inadvertently being precluded from offering our amendment?

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. I think that would be very appropriate. Also, I will note that we have had other amendments sent to the desk this morning which we have laid aside. In the event, for example, some of those Senators who wish to speak on the pending amendment are not here, I think it would be very much in order to lay it aside so we can continue to facilitate the Senators who wish to lay their amendments down.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I first would like to thank the Senator from West Virginia. I am really intending to make the same request. I think the Senator from Washington has the same interest. I would like the opportunity, now that I think I have clarification on this unanimous-consent agreement, to at least be able to offer the amendment and have it laid aside.

The PRESIDING OFFICER. Is there objection to the Senator's original request?

Mr. BYRD. Mr. President, I object. I would like Senators to have an opportunity to further study this amendment. There may be some of us who wish to speak on this amendment. Not many Senators were going to be around this afternoon because there was an understanding we would have no votes today. This does not keep the Senator from renewing the request on tomorrow or making the motion any time he wishes after the hour of 4 o'clock.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NOS. 183 AND 184, EN BLOC

Mr. GRAHAM. Mr. President, I send to the desk two amendments and ask that they be considered as offered under the unanimous-consent agreement of last week and then to be set aside.

The PRESIDING OFFICER. There is an amendment pending.

Mr. GRAHAM. I ask unanimous consent that the pending amendment be set aside for purposes of offering the two amendments which I have just sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there objection to proposing the amendments en bloc? Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will report the amendments.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes amendments numbered 183 and 184, en bloc.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 183

On page 16, between lines 12 and 13, insert the following:

"(iii) if funded in whole or in part, a statement of whether and how the committee has created a mechanism to allocate the funding in a manner that is reasonably consistent with the expected direct costs to each State, local, and tribal government.

AMENDMENT NO. 184

(Purpose: To provide a budget point of order if a bill, resolution, or amendment reduces or eliminates funding for duties that are the constitutional responsibility of the Federal Government)

On page 6, strike line 3 and all that follows through line 10, insert the following:

"(ii) would reduce or eliminate the amount of authorization of appropriations for—

"(I) Federal financial assistance that would be provided to States, local governments, or tribal governments for the purpose of complying with any such previously imposed duty unless such duty is reduced or eliminated by a corresponding amount; or

"(II) the exercise of powers relating to immigration that are the responsibility or under the authority of the Federal Government and whose reduction or elimination would result in a shifting of the costs of addressing immigration expenses to the States, local governments, and tribal governments; or

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

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

AMENDMENT NO. 185

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

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

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 185.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

"( ) It is the sense of the Congress that the Congress shall continue its progress at reducing the annual federal deficit and, when the Congress proposes to the States a balanced-budget amendment, must accompany it with financial information on its impact on the budget of each of the States."

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

The PRESIDING OFFICER. Is there a sufficient second?

Is there a sufficient second?

Mr. KEMPTHORNE. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEMPTHORNE. Will the Senator restate what his request was?

Mr. WELLSTONE. Just asking for the yeas and nays on the amendment.

Mr. BYRD. Is the amendment pending?

Mr. WELLSTONE. Yes. I just asked for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. GLENN. Mr. President, parliamentary inquiry.

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

Mr. GLENN. Will the Senator withhold?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I believe we set aside the Hatfield amendment this morning, and would that not have to be disposed of as the pending business before we could move on to another amendment?

The PRESIDING OFFICER. It is the understanding of the Chair that the unanimous consent agreement this morning was that the Hatfield amendment was set aside for other amendments to be offered.

Mr. GLENN. To be offered. That does not answer my question, I do not believe. Do we have to do anything to deal with the Hatfield amendment before we can bring up other amendments?

The PRESIDING OFFICER. The Hatfield amendment has been set aside and thus does not need to be disposed of.

Who seeks the floor?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I renew my request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Yes, there appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 186 TO AMENDMENT NO. 185

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 186 to amendment No. 185:

The amendment is as follows:

Strike all after "( ) It" and insert the following: "the sense of the Congress that the Congress should continue its progress at reducing the annual federal deficit and, when the Congress proposes to the States a balance-budget amendment, should accompany it with financial information on its impact on the budget of each of the States.

Mr. WELLSTONE. Mr. President, I will be less than 2 or 3 minutes. I know the Senator from Washington would want this amendment set aside, but if I could give the background for just a couple of minutes.

I met with the legislative leadership back in Minnesota several weeks ago, and the legislature passed a resolution. I just want to read one paragraph:

Be it resolved by the Legislature of the State of Minnesota that it urges the Congress of the United States to continue its progress at reducing the annual Federal deficit, and when the Congress proposes to the States the balanced budget amendment, to accompany it with financial information on its impact on the budget of the State of Minnesota for budget planning purposes.

Mr. President, this resolution was also signed by the Governor on January 20. And, again, this is very much in the spirit of what the Senator from Connecticut was talking about and the Senator from South Carolina. I will, of course, take the opportunity to speak about this amendment at some length but not today.

I yield the floor.

AMENDMENT NOS. 187 AND 188, EN BLOC

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the pending amendment be laid aside in order that I can send two amendments to the desk.

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

Mrs. MURRAY. Mr. President, I ask unanimous consent to send to the desk two amendments.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes en bloc amendments numbered 187 and 188.

Mrs. MURRAY. 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. 187

(Purpose: To exclude from the application of the Act agreements with State, local, and tribal governments and the private sector with respect to environmental restoration and waste management activities of the Department of Defense and the Department of Energy)

At the appropriate place in the bill, insert the following:

The provisions of this Act and the amendments made by this Act also shall not apply to any agreement between the Federal Government and a State, local, or tribal government, or the private sector for the purpose of carrying out environmental restoration or waste management activities of the Department of Defense or the Department of Energy.

AMENDMENT NO. 188

(Purpose: To require time limitations for Congressional Budget Office estimates, and for other purposes)

On page 21, insert between lines 13 and 14 the following new paragraph:

"(2) TIME LIMITATIONS FOR STATEMENTS.—(A) The Director of the Congressional Budget Office shall provide the statement as required by this section—

"(i) relating to a bill or resolution ordered reported by a committee, no later than one week after the date on which the bill or resolution is ordered reported by the committee; and

(ii) relating to an amendment or conference report, no later than one day after the date on which the amendment is ordered or the conference report is submitted.

"(B) Failure by the Director to meet the time limitations in subparagraph (A) of this paragraph shall vitiate the provisions of subsection (c)(1)(A) of this section.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mrs. MURRAY. Mr. President, let me just comment that of the two amendments I sent to the desk, one of them assures that we would not be creating a big, new, powerful bureaucracy at the Congressional Budget Office, and the other one relates to the effect of this bill on nuclear waste cleanup efforts. I am especially concerned about some at the Hanford site in my own State. I will be speaking on these amendments later, but I did want to submit them today under the previous unanimous consent.

I thank the Chair.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, has the Pastore rule run its course for the day?

The PRESIDING OFFICER. The Senator is correct.

Mr. PELL. Mr. President, can I introduce a measure without the Pastore rule applying?

The PRESIDING OFFICER. Will the Senator repeat his inquiry?

Mr. PELL. Does the Pastore rule still apply or can I talk on another subject?

The PRESIDING OFFICER. The Pastore rule has expired.

AMENDMENT NO. 180, AS MODIFIED

Mr. PELL. Mr. President, I would like to commend and thank the able Senator from North Dakota on modifying his metric conversion amendment. While I opposed the provisions of the amendment that would have imposed a 2-year moratorium, I am comfortable with asking the Commission on Unfunded Mandates, which would be created under this legislation, to look into the impact on States and localities of using the metric system.

As many of my colleagues know, I have been a longtime proponent of conversion to the metric system. I believe we can't afford not to convert to the metric system. Not converting has already cost this Nation a great deal.

The United States is one of three nations in the world, along with Burma and Liberia, yet to change to metrics. More importantly, the United States is the only industrialized nation in the world that is not a metric country. With a growing global economy, thanks in part to NAFTA and GATT, how can we as a nation expect to sell our products to the rest of the world when those products literally don't measure up with the rest of the world?

The United States stands to gain untold millions of dollars in exports that we are currently losing, because our nonmetric goods are almost excluded from international markets. In fact, the U.S. Department of Commerce estimates that U.S. exports could increase by as much as 20 percent by offering metric-sized goods.

Three instances of international trade problems caused by the production of non-metric goods highlight the difficulties caused by our nation's reluctance to go metric.

Saudi Arabia rejected a shipment of General Electric appliances because the power cords were 6 feet long rather than 2 meters as required by Saudi law.

A middle-eastern company was forced to rewire all the electronic equipment it imported from the United States because standard American wire sizes are different from international standards.

Countries around the world have great difficulty locating American lumber mills willing to produce cut lumber in metric sizes.

Mr. President, I agree that the Federal Government should not require States to do that which it is unwilling to do. In that regard, I have and will continue to work to see that all portions of the Federal Government comply with laws already on the books and that it leads the way in converting to the metric system.

I am confident that the more we study the value of the metric system, the more we will find that not joining the rest of the world will only cost us more in the long run.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 182

Mr. GLENN. Mr. President, I rise to take just a very few minutes to address the Hollings amendment. It is a sense-of-the-Senate amendment. It talks about the importance of interest on the national debt as far as being an unfunded mandate. But in part B, it says that prior to adopting, in the first session of the 104th Congress, a joint resolution proposing an amendment to the Constitution requiring a balanced budget, a sense-of-the-Senate, then one, that the Congress set forth specific outlay in revenue changes to achieve the balanced Federal budget by the year 2002; two, enforce the congressional budget process, the requirement to achieve a balanced budget by the year 2002.

Let me address that briefly. I thought originally maybe that this did not have any place being addressed on the unfunded mandates legislation. This just says that we want to know in advance what the impact is going to be. In other words, it is truth in legislating, as best we can tell that truth, in advance.

I submit that is what this unfunded mandate legislation is all about. We are trying to determine what the impact is in advance, and tell States and local communities just exactly what Federal mandates are going to do to them in advance. And we require the Congressional Budget Office to actually spell out the dollar impacts on them in advance.

That is what Senator HOLLINGS is proposing with this legislation. Why should we not do this? Why should we not, to the best of our ability, say how a balanced budget amendment, if it goes into effect, will be dealt with? That is exactly what we are trying to do with this unfunded mandates legislation as it deals with the States and local communities.

Apropos to this, I think when we come to consideration of a balanced budget amendment, I read some figures over the weekend, I believe in one of the columns, that if we take the things that everyone seems to say are off limits in the House and here also—Social Security, Medicare, interest on the national debt, and defense, those four items—I do not know whether those can all be taken out and made exempt from any consideration when we get into budget cutting or not. If we cannot, if some of those come in, I say to the Social Security recipients that some of your benefits are in danger. The same thing is true with Medicare. We know we have to pay interest on the national debt. We do not want to cut defense. We feel it has been cut enough already.

So if you leave Social Security, Medicare, interest on the national debt, and national defense off budget, or off limits, what does that leave? As was pointed out in the column I read over the weekend, that then would require approximately a little over a 30-percent cut in all the other functions of Government; a 30-percent cut in all the other functions of Government. If you take Social Security, Medicare, interest on the national debt, and national defense off budget, it would be a 30-percent cut in every other program.

If we applied that across the board, this means that next time you climb on an airliner after this, maybe, you will know that 30 percent of FAA funds; 30 percent of National Transportation Safety Board funds; 30 percent of CDC, the Centers for Disease Control funds, trying to deal with the AIDS problem, an enormous problem; 30 percent of NIH funds, the National Institutes of Health dealing with cancer problems; FDA, trying to see what drugs are safe, are cut. You may say: We will not deal with any of those; we would leave those fully funded. What else gets cut? What else gets cut in that situation?

How about immigration? Do we want additional restrictions on immigration? Do we want to provide the people to firm up the borders? Would that get its 30-percent cut? How about farm subsidies? There is an attractive one. We are going to cut these 30 percent or more to make up for keeping something else from this 30-percent cut. Then there are prisons, and we could go on and on. We are dealing in this unfunded mandate legislation mainly with the impact on the States and local communities.

What do the States get right now? States, right now, under discretionary and entitlement funding, receive about $230 billion a year, about 70 of that in discretionary funding and about 160 in entitlements. This is broken down into Medicaid, for instance, and $173 billion goes into Federal and State, total, for Medicaid; 57 percent of that is Federal, and 43 percent is State; that is $230 billion total.

I use that figure for this reason. If we pass something that says that we are not going to say what we are going to cut, we are just going to do that after we, in effect, threaten ourselves and say, OK, we are going to force ourselves to buy a balanced budget amendment to make these decisions but we are not going to say in advance where the decisions are made, then I submit that the States with what they receive now, what is given to them now for all these various programs, that $230 billion is going to be a very, very attractive target for budget cutters looking for some way to balance the budget without getting into cuts on Social Security, Medicare, interest on the national debt, or defense.

What Senator HOLLINGS has proposed is a how-to piece of legislation—knowing what we are going to do, giving us an idea of what we are going to do in advance to get to a balanced budget. All of us want to get to a balanced budget. Certainly, I do. I do not think there is anybody here who does not want to get to a balanced budget. What Senator HOLLINGS says is let everybody, the States included, know in advance whether they will be the ones who will be unfairly dealt with in this other area if we pass a balanced budget amendment. Will the efforts to balance the budget then come out of the State's hide of $230 billion that we send from the Federal Treasury to the States every year?

Surely we would not take the other tack and say on Senator HOLLINGS' amendment that we would adopt in the first session a joint resolution proposing an amendment to the Constitution requiring a balanced budget, one, the Congress should not set forth specific outlay and revenue changes. Surely we would never add that should not and prohibit anyone from saying exactly how this is going to affect anyone by prohibiting the listing of what the outlay and revenue effects would be. So all he said is that in the Constitution requiring a balanced budget, the Congress set forth specific outlay and revenue changes to achieve a balanced Federal budget by 2002. It seems to me that we are just trying to predict and make forecastable what is happening between the Federal Government and the States with this unfunded mandate legislation.

All Senator HOLLINGS is asking in his proposed amendment, it seems to me, is that we do the same advanced kind of planning in trying to get where the cuts or where the revenues would come from, what the impact would be, the amounts, and trying to determine these things in advance.

So, Mr. President, I rise in support of Senator HOLLINGS' amendment.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida [Mr. GRAHAM] is recognized.

Mr. GRAHAM. Mr. President, earlier I had offered two of the three amendments which I have reserved for the purposes of having them before the Senate prior to the 3 p.m. deadline tomorrow.

I, therefore, ask unanimous consent that the pending amendment be set aside for the singular purpose of allowing me to offer the third amendment for consideration at a later date.

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

AMENDMENT NO. 189

(Purpose: To change the effective date)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 189.

The amendment is as follows:

On page 33, strike lines 10 through 12 and insert the following:

This title shall take effect on the date of enactment of this Act, and shall apply to legislation considered on and after such date.

Mr. GRAHAM. Thank you, Mr. President.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa [Mr. HARKIN] is recognized.

Mr. LEVIN. Mr. President, I wonder if the Senator from Iowa will yield.

Mr. HARKIN. I ask unanimous consent that I may yield to the Senator from Michigan without losing my right to the floor.

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

The Senator from Michigan [Mr. LEVIN] is recognized.

Mr. LEVIN. Mr. President, I ask unanimous consent that the pending amendment be set aside and that amendments 172 to 177, which I sent to the desk last Thursday night, be called up at this time, stated, and then be immediately set aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENTS NO. 172 THROUGH 177

Mr. LEVIN. Mr. President, I send a group of amendments to the desk, en bloc, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes amendments numbered 172 through 177, en bloc.

Mr. LEVIN. 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. 172

(Purpose: To provide that title II shall apply only after January 1, 1996)

On page 38, after line 25, insert the following:

"SEC. 205. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect with respect to regulations proposed on or January 1, 1996.''

AMENDMENT NO. 173

On page 26, between lines 5 and 6 insert the following:

(e) REQUESTS FROM SENATORS.—At the written request of a Senator, the Director shall, to the extent practicable, prepare an estimate of the direct cost of a Federal intergovernmental mandate contained in a bill, joint resolution, amendment, or motion of such Member.

AMENDMENT NO. 174

(Purpose: To provide that if a committee makes certain determinations, a point of order will not lie, and for other purposes)

On page 17, insert between lines 17 and 18 the following new paragraph:

''(7) COMMITTEE DETERMINATION OF MANDATE DISADVANTAGEOUS TO PRIVATE SECTOR; WAIVER OF POINT OF ORDER.—If a committee of authorization of the Senate or the House of Representatives determines based on the statement required under paragraph (3)(C) that there would be a significant competitive disadvantage to the private sector if a Federal mandate contained in the legislation to which the statement applies were waived for State, local, and tribal governments or the costs of such mandate to the State, local, and tribal governments were paid by the Federal Government, then no point of order under subsection (c)(1)(B) will lie.

AMENDMENT NO. 175

(Purpose: To provide for Senate hearings on title I, and to sunset title I in the year 2002)

On page 33, strike out lines 9 through 12 and insert in lieu thereof the following:

SEC. 107. SENATE JOINT HEARINGS ON UNFUNDED FEDERAL MANDATES.

No later than December 31, 1998, the Senate Governmental Affairs Committee and the Senate Budget Committee shall hold joint hearings on the operations of the amendments made by this title and report to the full Senate on their findings and recommendations.

SEC. 108. EFFECTIVE DATE.

This title and the amendments made by this title shall—

(1) take effect on January 1, 1996;

(2) apply only to legislation considered on or after January 1, 1996; and

(3) have no force or effect on and after January 1, 2002.

AMENDMENT NO. 176

(Purpose: To clarify the scope of the declaration that a mandate is ineffective)

On page 24, line 18, strike out ''mandate to be ineffective'' and insert in lieu thereof ''mandate to be ineffective as applied to State, local, and tribal governments''.

AMENDMENT NO. 177

(Purpose: To clarify use of the term ''direct cost'')

On page 14, line 19 strike ''expected''.

On page 22, line 12 strike ''estimated''.

On page 22, line 22 strike ''estimated''.

On page 23, line 2 strike ''estimated''.

On page 23, lines 4 and 5 strike ''a specific dollar amount estimate of the full'' and insert in lieu thereof ''the''.

On page 24, line 8 strike ''estimated''.

On page 24, line 15 strike ''estimated''.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Mr. HARKIN, is recognized.

AMENDMENT NO. 190

(Purpose: To express the sense of the Senate regarding the exclusion of Social Security from calculations required under a balanced budget amendment to the Constitution)

Mr. HARKIN. Mr. President, while I know we are not considering it today, there is much discussion going on around this town and the country about our upcoming consideration of the balanced budget amendment. I do not want to delay action on the bill before us, but I believe it is critical that we ease the fears of millions of older Americans who are worried about their security.

I have long supported a balanced budget amendment, and I expect to do so again this year. There have been a number of issues raised concerning the amendment—should there be a supermajority requirement for tax increases; should there be truth in budgeting to require that the cuts necessary to reach a balanced budget by 2002 be specified; should we make provision for times of recession when there are more demands on the Federal Government and tax receipts are down? Each of these questions is very important and should be given the attention they deserve. But, Mr. President, the one issue that is of greatest concern, and the one I think necessary to address immediately by this body, is whether Social Security should be allowed to be cut as part of the balanced budget amendment.

Should Social Security funds be included along with all the receipts and debits in calculating whether we have a balanced budget? I believe we need to set the record straight about where the Senate stands on this critical point. I hope the Senate could go on record unanimously on this so that we can allay the fears that literally millions of older Americans have.

I have received hundreds of calls, and even more letters, from older Iowans who are scared to death that their Social Security is going to be cut to balance the budget. Almost all of them subsist on little or nothing more than their monthly Social Security check. They live on fixed incomes and are struggling to meet the basics—pay their food, utilities, and medical bills. A cut in Social Security would literally mean for many not enough to eat or enough to pay heating, phone, medical bills, and transportation.

To bring this home, I would like to read excerpts from letters a few Iowans have written me. I have a letter here dated January 2, from Lime Springs, IA:

DEAR SENATOR HARKIN: Will you please vote against any more cuts in Medicare and Social Security. I am an 87-year-old widow with Social Security of $440 a month, and I am trying to stay off welfare. It is almost impossible for old people who depend on Social Security to live anymore. Please help us.

Another letter is dated January 4.

* * * I am a widow, age 78. I have been alone for 29 years and never able to accumulate an estate, bonds, CDs, et cetera. My income is $650 a month Social Security, and out of that I must pay rent, electric, food, health insurance, medical bills, doctors, prescriptions, et cetera, and I am just barely able to cover the above expenses. There is no money left over for clothes, recreation, et cetera, and I would appreciate it if you would reject any cuts in Social Security and Medicare.

Another letter is dated January 5 from Jefferson, IA. It says:

* * * We are semi-retired farmers facing higher property tax, higher crop expenses and lower prices. If we don't have money, we go without. Because my health has forced my retirement at 62 years of age, I am now receiving a ''very generous'' $334 a month Social Security. Now subtract $46.10 for Medicare, $56 Blue Cross supplemental, and then try to spread it thin enough to pay for heart, diabetes and arthritis medication at $3,000 per year.

We have worked hard, still paying on some farmland, knowing that if either of us need to enter a nursing home, it will be gone. Social Security is not welfare.

Well, I have a lot of letters like this and I am sure, Mr. President, you and other Senators are receiving letters like this from your constituents.

Mr. President, the amendment I am about to send to the desk I believe is eminently reasonable and should be quickly passed by this body. It is relatively short and straightforward.

I will not read the whole thing.

It is a sense-of-the-Senate resolution. It is supported by findings that over 42 million Americans receive Social Security benefits, including 3 million children, and 5 million disabled workers; that Social Security is only the pension program for 60 percent of older Americans. Almost 60 percent of the older beneficiaries depend on Social Security for at least 50 percent of their income; 25 percent of recipients depend on it for 90 percent of their income. Without it, 15 million Americans will be thrown into poverty.

Basically, it is just a sense of the Senate that any joint resolution providing for a balanced budget amendment to the U.S. Constitution passed by the Senate shall specifically exclude Social Security from the calculations used to determine if the Federal budget is in balance.

Mr. President, when you talk about the average Social Security recipient, you are talking about people of very modest means. The average monthly Social Security payment now is $679 a month. That is $8,148 a year, just above the poverty level for a household of one. As I said, for many senior citizens, Social Security represents 90 percent or more of their entire income and it is particularly true of older widows. For the majority of older widows, Social Security represents the bulk of what they have to live on. So I understand them writing me letters saying they are fearful of these cuts.

Mr. President, I should also note that I am not just hearing from the elderly. I am also hearing from middle-age workers who are concerned about the surplus in the Social Security trust funds that will be necessary to pay the benefits when they retire. They are worried because they know it may be just too tempting for politicians to dip into the growing Social Security trust fund surpluses to pay down the deficit. And they have every reason to be worried.

Today, the Social Security surplus stands at about one-half trillion dollars. That is right. The Social Security trust fund has a surplus of one-half trillion dollars,—$500 billion. By the year 2010, the Social Security surplus is projected to reach $2.1 trillion. And by 2020, the Social Security trust fund will grow to an astounding $3 trillion. That surplus, nearly two times the entire Federal budget for this year, will be very tempting to dip into to pay down the deficit.

Some will say a little out will not hurt us. But, in fact, Mr. President, in the coming years, we will need to add to that surplus, not take away from it.

The current projections are that even with a $3 trillion surplus in the year 2020, the system will go bankrupt by around the year 2030, after paying benefits to the baby boomers who will be retiring. So about 35 years from now—and we have time within that 35 years to make the necessary adjustment. So we need to make adjustments within the next 35 years to further build up the surpluses after 2020 so that those who are working now can be assured that their Social Security will be there when they retire. So we need to add to the surpluses later on, not take away from them.

Mr. President, I am certain that the amendment I am offering will be supported by an overwhelming majority of Americans. Poll after poll has indicated opposition to the cuts in Social Security benefits by the elderly and by those now working.

So, Mr. President, it is a modest amendment. It is a sense-of-the-Senate resolution. I think we ought to express ourselves on this bill. Even though it does not have anything to do, I know, with unfunded mandates, I think we have to express ourselves as soon as possible, especially now in the middle of winter when so many elderly people are concerned about Social Security cuts. And I think, if I am not mistaken, that we will be on the balanced budget amendment right after this bill is disposed of.

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 190.

Mr. HARKIN. 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 50, add after line 6 the following new title:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SENSE OF THE SENATE REGARDING BALANCED BUDGET AMENDMENT.

(a) FINDINGS.—The Senate finds that—

(1) social security is a contributory insurance program supported by deductions from workers' earnings and matching contributions from their employers that are deposited into an independent trust fund;

(2) over 42,000,000 Americans, including over 3,000,000 children and 5,000,000 disabled workers and their families, receive social security benefits;

(3) social security is the only pension program for 60 percent of older Americans;

(4) almost 60 percent of older beneficiaries depend on social security for at least half of their income and 25 percent depend on social security for at least 90 percent of their income;

(5) without social security an additional 15,000,000 Americans, mostly senior citizens, would be thrown into poverty;

(6) 138,000,000 American workers participate in the social security system and are insured in case of retirement, disability, or death;

(7) social security is a contract between workers and the Government;

(8) social security is a self-financed program that is not contributing to the current Federal budget deficit; in fact, the social security trust funds currently have over $400,000,000,000 in reserves and that surplus will increase during fiscal year 1995 alone by an additional $70,000,000,000;

(9) this surplus is necessary to pay monthly benefits for current and future beneficiaries;

(10) recognizing that social security is a self-financed program, Congress took social security completely ''off-budget'' in 1990; however, unless social security is explicitly excluded from a balanced budget amendment to the United States Constitution, such an amendment would, in effect, put the program back into the Federal budget by referring to all spending and receipts in calculating whether the budget is in balance;

(11) raiding the social security trust funds to reduce the Federal budget deficit would be devastating to both current and future beneficiaries and would further undermine confidence in the system among younger workers;

(12) the American people in poll after poll have overwhelmingly rejected cutting social security benefits to reduce the Federal deficit and balance the budget; and

(13) social security beneficiaries throughout the nation are gravely concerned that their financial security is in jeopardy because of possible social security cuts and deserve to be reassured that their benefits will not be subject to cuts that would likely be required should social security not be excluded from a balanced budget amendment to the United States Constitution.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any joint resolution providing for a balanced budget amendment to the United States Constitution passed by the Senate shall specifically exclude social security from the calculations used to determine if the Federal budget is in balance.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. KEMPTHORNE. 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. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. 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. BINGAMAN. Mr. President, I ask the manager, did the Senator intend to proceed with additional amendments now or prefer that we wait?

Mr. KEMPTHORNE. Will the Senator yield?

Mr. BINGAMAN. I yield.

Mr. KEMPTHORNE. Mr. President, in discussing with the Senator from Iowa, we do not have a problem laying aside the pending amendment while we get additional information, and would note that the Senator from Iowa has, I believe, a unanimous-consent request. I believe it would be appropriate to lay the pending amendment aside and proceed with the amendment of the Senator.

Mr. BINGAMAN. Mr. President, if it is in order, I ask unanimous consent that I set aside the pending amendment and any pending unanimous consent request.

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

AMENDMENT NO. 191

(Purpose: To provide that certain legislation shall always be in order)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 191.

Mr. BINGAMAN. Mr. President, I ask that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 25, add after line 25 the following new section:

"(4) DETERMINATION BY REPORTING COMMITTEE OF APPLICABILITY TO PENDING LEGISLATION.—Notwithstanding any provision of paragraph (1)(B), it shall always be in order to consider a bill, resolution, or conference report if such report includes a determination by the reporting committee that the pending measure is needed to serve a compelling national interest that furthers the public health, safety, or welfare.

Mr. BINGAMAN. Mr. President, the amendment that I have offered today will allow a reporting committee—that is, any of the authorizing committees—to ensure that a measure that committee determines is necessary to serve a compelling national interest be given full consideration by the Senate.

Mr. President, last week I raised several issues with my colleagues from Idaho and Ohio regarding Senate bill 1. Specifically, we discussed the fact that under S. 1, it would be out of order to proceed on any legislation that imposes a cost of more than $50 million on other levels of government unless the Federal Government is willing to pay the full costs incurred by those other levels of government. I realize a point of order would have to be raised by a Senator for the legislation not to be considered. Nevertheless, if the point of order is raised, then consideration of such a bill shall not be in order as I read the unfunded mandates legislation we are considering today.

Mr. President, I believe that we go too far when we say that the Senate should not consider a measure, regardless of its importance, unless the Federal Government can cover all public costs associated with that measure. We can all think of cases of a compelling national interest with which we should proceed even if the Federal Government does not intend to cover all the costs.

Some examples are control of nuclear waste, minimum wage laws, and the control of terrorism. These are clear examples that I think most Senators will agree with. In those cases, it is appropriate to provide a mechanism through which a committee reporting a measure, armed with the Congressional Budget Office cost estimate required by this legislation, can make a determination that it should be in order for the full Senate to consider the matter, and that no point of order should prevent that consideration.

Our Federal system functions best when there is a partnership of effort by local, State, and Federal Government, and tribal government, in some cases. Many of the most successful programs that we have in this country have been pursued as a result of just such a partnership, constructed by the Federal Government. Examples are the Interstate Highway System, Federal housing assistance, and the unemployment insurance system.

If partnerships involving cost sharing by the different levels of government are to occur, then under our Constitution, the Federal Government is set up as the final arbiter of the terms of those partnerships. It makes no sense for us to abdicate that responsibility entirely. Clearly, in any activity we choose to pursue in partnership with the States, local government, or Indian Tribes, the Federal Government should do its best to cover the costs that relate to the benefits that the country as a whole is to receive. Surely, the Federal Government should do a better job than it has in many cases in being sensitive to other governmental entities about costs they may occur.

But we should not, in my opinion, make it out of order to consider any and all legislation that requires action by other levels of government unless the Federal Government agrees to pay the full cost of that action. Partnerships between the Federal, State, and local governments and Indian tribes will be needed in the future, and it may be appropriate in some cases for some of the costs of those partnerships to be borne by others than the Federal Government.

Under my amendment, the cost estimates would still be done, and no one in the Senate would enter into the debate ignorant of the full costs. Indeed, if the full Senate felt that the cost should be paid for entirely by the Federal Government, an amendment to this effect could be offered. If the funding was not provided for all the costs, an estimate of which would be required under the amendment, the full Senate could vote the measure down after actual debate. A measure that a committee determined to be needed to serve a compelling national interest, however, would be assured a debate on its merits if it reached the floor of the Senate.

Mr. President, this seems to be an imminently reasonable adjustment to the procedures outlined in S. 1. I urge the managers to support the amendment. I urge my colleagues to agree to its adoption. I may speak again in reference to this prior to final vote on the issue. I did want to put my colleagues on notice as to the import of this amendment.

I have two other amendments, Mr. President, that I have reserved the right to offer, and I intend to offer those later this afternoon or early tomorrow. I do not have those with me at this moment.

I yield the floor. 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. KEMPTHORNE. 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. KEMPTHORNE. In response, Mr. President, to the Senator from New Mexico, I think it is necessary to point out that if at any point during this process, there truly is a compelling argument, that the committee, the chairman of that committee, may come to the floor and seek a waiver of this process of S. 1, and need not go through the remaining steps of that process.

But the idea, as I understand the proposed amendment, is to say that the committee itself could exercise the jurisdiction of the full Senate, which I do not think is appropriate and is really a real short circuit of what we are trying to do here with this process.

Earlier today we heard from the Senator from Nevada and the Senator from North Dakota on another issue, but they were saying that with this particular Federal mandate that has been put into place a year or two ago that there may be merit to this unfunded Federal mandate, but it would have been so nice to have known all the implications and the costs before this unfunded Federal mandate was implemented. What they were describing is how nice it would have been to have S. 1 in place before that particular mandate had been imposed.

So, again, I think that S. 1 provides the process and rather than allowing the committee to have that sort of jurisdiction to say that because there is a compelling interest here we need not comply is not the route that we should go. If that is the case, if there truly is a compelling reason, then they can seek that waiver immediately.

Mr. BINGAMAN. Mr. President, could I just respond to the concern that the Senator from Idaho has raised.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, by my amendment by its language I am not exempting any piece of legislation from the requirements of cost estimates or reports from the CBO. What I am saying is that once those cost estimates and reports are obtained by the appropriate committee, if that committee determines that there is compelling national interest that needs to be considered here, then it has the right to say that in its report and to have the legislation considered on its merits on the Senate floor. And it does not have to get past any procedural hurdle that this proposed legislation would impose in terms of language that says it is out of order to consider the proposed bill.

In my opinion, it is not wise for us to be writing legislation stating it is out of order to consider any and all Federal legislation where the Federal Government fails to pay the full cost of implementing the legislation. There are too many examples in our Nation's history where it has been appropriate for the

Federal Government to proceed with legislation of that type and where there has been a well-designed partnership between the Federal Government, State government, and local government to accomplish a recognized national purpose.

I am trying to make it clear that where there is such a circumstance in the view of an authorizing committee, then that authorizing committee should have the right to have its legislation, its reported legislation, considered on its merits without having to overcome procedural points of order to do so.

That is the intent of my legislation. It does not exempt any reported legislation from the requirements of reports or cost estimates by the CBO. I do believe those are appropriate, and clearly the failure to have those in some cases has worked a hardship on local governments, on State governments, on Indian tribes.

I wanted to clarify what the import of my legislation is. And with that clarification, I hope that the Senator from Idaho, and all other Senators, can support it.

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

The PRESIDING OFFICER (Mr. CRAIG). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. 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. BYRD. Mr. President, I thank the Chair.

IN BEHALF OF A CULTURAL CUTTING EDGE

Mr. BYRD. Mr. President, we live in an era of technological miracles—inventions, phenomena, and developments whose inventors and initiators might have been burned at the stake as witches and warlocks in the so-called ''Dark Ages'' for even suggesting, much less producing or conducting, such things.

Automobiles, jet aircraft, space vehicles, CD records, microwave ovens, telephones, artificial hearts, organ transplants—inventions, opportunities, and creations that some of our ancestors only a century ago might have found unbelievable, if not unimaginable.

But, Mr. President, perhaps the one modern invention that has had, and will have, the greatest impact on human life is television.

Imagine, if you will, the astonishment of George Washington, Thomas Jefferson, or even Benjamin Franklin if any one of those men were able to sit down with us today in front of that vast wasteland, as Newton Minow referred to it—a television set.

Imagine being able to tune in with them on a one-on-one conversation across the Atlantic with British Prime Minister John Major or German Chancellor Helmut Kohl, to discuss Trans-Atlantic alliances or international trade issues, for example.

Or imagine the astonishment of U.S. Grant or Robert E. Lee had they been able in their time to sit before a television set and view the actual progress of the Siege of Vicksburg or the Battle of Gettysburg, as so many millions of everyday Americans viewed the progress of the Gulf War or the shooting down of ''Scud'' missiles incoming over Tel Aviv or Riyadh, Saudi Arabia.

Interestingly, perhaps even the Founding Fathers of the television did not foresee the scope of television or grasp the possibilities that this miracle offered in its earliest, fuzziest beginnings.

In those primeval days of television broadcasting—roughly, the late 1930's and pre-World War II 1940's—the biggest star attractions consisted primarily of telecast images of ''Felix the Cat'' and local station test patterns, which fascinated people even though they offered the crudest of images and practically no motion.

But following the end of the Second World War, several radio programs began ''simulcasting''—that is, broadcasting both on infant television networks and on the established radio networks at the same time.

Thus, in time, millions of Americans were enabled both to see and hear ''The Voice of Firestone,'' ''The Bell Telephone Hour,'' and ''The NBC Orchestra,'' conducted by Arturo Toscanini. Increasing numbers of American families were exposed to the music of Beethoven and Schubert, and to the considerable talents of the finest musical figures of the Metropolitan Opera or La Scala.

In time, NBC introduced plays by some of America's leading playwrights on ''The Philco/Goodyear Playhouse,'' and CBS on ''Studio One''—plays many of which went on to be reproduced into classic movies, and plays that introduced some of today's leading actors and actresses to millions upon millions of Americans who had been unable to witness their Broadway and off-Broadway debuts.

For children in those early days of television, ''Howdy Doody,'' ''Romper Room,'' ''Miss Frances'' on ''Ding Dong School,'' and ''Captain Kangaroo'' provided often brilliant exposure to experiences and information unavailable to them anywhere else—experiences and information that conveyed values, taught serious while camouflaged knowledge, stretched tiny minds—tiny minds—and imaginations, and helped untold millions of preschool children prepare for the serious business of entering school and beginning their formal educations.

The apparent goal of television executives in those early days seemed to be to reach growing numbers of middle-class and upper-middle-class American consumers whom sponsors wanted to attract to buy their automobiles, bath soaps, refrigerators, and dish detergents—consumers with high incomes and relatively good educations, and men and women of all income and educational levels who hungered for good music, compelling drama, and intellectually challenging entertainment and diversion.

Likewise in those days, sponsors were eager to have their names and trademarks associated with ''quality culture,'' in hopes of winning and keeping consumer loyalty and gratitude, both valued intangibles in the supermarkets and department stores when viewers contemplated their purchases.

But as time passed, advertisers more and more craved only higher and higher audience numbers. In the search for those numbers, sensation drove out substance, and action cancelled out content.

In time, in pursuit of ratings, television producers lost their nerve.

If a single ''cowboy'' show caught the public's fancy, dozens of cowboy shows appeared, crowding out most other programming. If the next season a single detective show garnered high ratings, off the television range fled the cowboys, and detective shows proliferated across the dial. The same held true of variety shows, quiz shows, ''sit-coms,'' or spy shows.

In the process, children's programs with substance vanished, to be replaced, hour after hour, with crudely composed ''action'' cartoons, in which scarcely believable and primitively drawn comic book ''heroes'' exposed children to eternities of violence, mayhem, and pointless fantasy.

Expert television analysts assert that, by the time an American child reaches his or her late teens, commercial television has exposed that child to literally thousands of murders and other acts of violence, an exposure that predictably deadens that child to real-life violence and that overtly and subliminally teaches that violence, in itself, is an effective means of solving problems and getting one's own way in this world.

Should we, then, be surprised that here in the inner-city neighborhoods of Washington, or in Baltimore or New York or other great urban centers—and even in our comfortable suburbs—children are literally murdering other children over the possession of sneakers, team jackets, or over real or imagined slights? After all, again and again without number, these child-murderers have witnessed the effective use of such solutions on commercial television, and a few weeks later, they had seen the same guy who gets shot or stabbed or pushed out the window or strangled with a copper wire on some other show in perfectly good health.

From the beginning of the adulteration of television, thoughtful people have sought alternatives to the trash and vulgarity that have increasingly contaminated the airwaves of this miraculous medium of communication.