

COMPENSATION OF DIRECTORS—Continued

Organization	Board of Directors	Retainer	Additional compensation
United Parcel Service of America, Inc.	13 (12 elected by the common stockholders & 1 appointed by the corporation).	\$45,000 for Outside Directors \$49,000 for Committee chairpersons	Employees or former employees of the corporation receive no compensation for serving as Directors. Members of the Audit, Officer Compensation and Nominating committees, who are not employees or former employees, receive an annual fee of \$2,500 for each committee on which they serve. Retirement plan for Outside Directors equals the amount of the Directors' annual retainer. Benefits continue for the number of years served multiplied by four. Employee Directors receive no additional compensation for their service on the Board. Non-Employee Directors receive 100 promised Award Shares of IBM common stock plus an additional 100 year thereafter that the Director is re-elected. Under the Deferred Compensation and Equity Award Plan, non-Employee Directors may defer all or part of their Board compensation to selected later years, to be paid either with interest or in promised fee shares of IBM common stock. Non-Employee Directors with five years service, upon retirement or age 70, are entitled to retirement income of annual payments of 50% of the Director's last annual fee.
International Business Machines Corp.	11 (all elected by the common stockholders)	\$55,000 for Outside Directors \$60,000 for Committee Chairpersons	

Mr. STEVENS. Mr. President, in addition, this chart shows the compensation received by members of the boards of the Postal Service's private sector competitors like Federal Express and UPS.

Our amendment would provide a much-needed increase in the compensation for the Postal Service Board of Governors. First, we increase the annual salary of the governors to \$30,000. Second, we allow the daily meeting rate to be paid for performance of official business as determined by the chairman of the board, up to the current statutory limit of 42 days per year. And, third, we create an automatic annual pay adjustment which is equivalent to that received by Federal employees.

I urge my colleagues to support this amendment.

Mr. FRIST. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 1606), as amended, was deemed read for a third time and passed.

Mr. FRIST. I send an amendment to the title to the desk.

Amend the title so as to read: "An Act to designate the United States Post Office building located at 24 Corliss Street Providence, Rhode Island, as the "Harry Kizirian Post Office Building", to amend chapter 2 of title 39, United States Code, to adjust the salary of the Board of Governors of the United States Postal Service, and for other purposes."

ORDERS FOR WEDNESDAY, OCTOBER 25, 1995

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Wednesday, October 25, that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately turn to the consideration

of Calendar No. 216, S. 1357, the reconciliation bill.

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

PROGRAM

Mr. FRIST. Mr. President, for the information of all Senators, the Senate will begin the reconciliation bill at 10 a.m. Therefore, Members can expect votes throughout Wednesday's session of the Senate on amendments, and the Senate is expected to be in session late into the evening in order to consume a considerable amount of time allocated under the statute for the reconciliation bill.

ORDER FOR ADJOURNMENT

Mr. FRIST. Mr. President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senators PELL and LAUTENBERG.

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

The Senator from Rhode Island is recognized.

THE RECONCILIATION BILL

Mr. PELL. Mr. President, as we all know, the Senate is about to embark on a massive reordering of national priorities under the rubric of the reconciliation process. In the short space of the 20 hours prescribed by statute, we will decide the fate of Medicare, Medicaid, welfare programs, education assistance, and a host of other Federal programs and agencies.

We surely did not anticipate such abbreviated consideration of a sweeping reconfiguration of government when we enacted the Congressional Budget and Impoundment Control Act of 1974, which established the reconciliation process. It is regrettable that we must do so now, and I suggest that in doing so we exceed the spirit if not the letter of the act.

But we are now confronted with the determination of the majority to proceed nonetheless, and in anticipation of the time constraints, I would like to state my continuing reservations about the bill. I have already expressed my distress and concern about the decimation of hard-won Federal education

programs and the emasculation of the Medicare and Medicaid programs.

What remains to be said is that this mammoth bill embodies priorities in many other areas which are diametrically opposed to my own. It overturns decades of progress in social policy and it imposes a regressive tax plan that is both misguided and untimely. It bears unfairly on children, on poor people and on the elderly and the disabled. And it would undo environmental gains and open pristine wilderness areas to commercial exploitation.

It would do all this in a headlong pursuit of a goal which I believe has been blindly accepted, namely the mantra that the budget must be balanced by a date certain. To my mind, this is an unrealistic objective that results not from careful and rational assessment, but from well-orchestrated sloganeering in the guise of the so-called contract devised by the House majority leadership. And that, I would submit, has led to false expectations in the electorate as well as among some legislators themselves.

Far more preferable, in my view, would be a measured and continuing effort to reduce deficit spending, while at the same time preserving the essential gains in social policy of the last half century.

It is unrealistic to assume, I submit, that some \$900 billion can be cut from Federal spending levels provided under present law between 1996 and 2002 without imposing unacceptable hardship on many segments of the population. Here, the arbitrary goal has dictated the cuts; again, the more rational course would be to decide what can and should be reduced and then arrive at a figure.

And it is equally unrealistic—and absurd on the face of it—that tax cuts of \$245 billion could be proposed at the very time the stated objective is to reduce deficits. Inevitably, such as proposal suggests that spending cuts have been inflated to accommodate the tax cuts. It seems appalling to me that the proposed tax cuts will actually add to the deficit in some years, meaning that the Treasury will actually have to borrow funds to make up for the lack of revenue. Overall, these unwise tax cuts will add some \$93 billion to the national debt, according to the Wall Street Journal.

Here again, a far wiser course would be one of moderation. While I reject

most of the proposed tax cuts as untimely at best and pandering at worst, I would agree that there is one area of tax relief that could be reasonably undertaken at this time, and that is reduction in the capital gains tax rate. The provisions of the bill allowing individuals to exclude 50 percent of capital gains from taxation, while dropping the corporate capital gains rate from 35 to 28 percent, would cost the Treasury some \$40 billion in revenue foregone over 7 years.

As I see it, this would be a worthwhile expenditure. It would help release some \$1.5 trillion in locked-up capital gains to pursue investment opportunities that create jobs and growth in the U.S. economy. By one estimate, this would result in a rise in gross domestic product of 1.4 percent and result in \$12 million in increased Federal tax revenues.

And I might note that the individual beneficiaries of capital gains tax relief are by no means limited to wealthy stockholders. A recently updated U.S. Treasury study shows that nearly one-half of all capital gains are realized by taxpayers with wage and salary incomes of less than \$50,000. And these would include every homeowner who has benefited from an increase in the value of his house over recent years.

Notwithstanding my support for this one tax provision, I must reiterate my view that the overall tax package is untimely and inappropriate. Together with the other major flaws of the bill, there is compelling reason to vote against the bill, and good cause for the President to veto the measure, as he has promised to do, in the likelihood that Congress approves it.

Our task will not end there. Assuming the probability that the President's veto cannot be overridden, the real work will have to begin to devise a compromise that can be enacted. My hope is that reason, compassion, and responsibility will prevail and that the many excesses of this bill will be recast into a more moderate measure.

I yield the floor.

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

Mr. LAUTENBERG. I thank the Chair.

WHOSE SIDE ARE YOU ON?

Mr. LAUTENBERG. I will try to confine my remarks to 10 minutes, not simply to spare the distinguished occupant of the Chair from further duty but to try and consolidate the message so that it has meaning and is clearly understood.

Mr. President, I look at what is proposed in terms of this budget reconciliation, and I truly believe that the American people are being deceived; that there is kind of a sneak attack on senior citizens and the impoverished in our society; that they do not yet know what is planned for them for their future.

The question that arises is a very fundamental one, and that is, Whose

side are you on? Whose side are we on in this body when we pass legislation? Are we on the side of the people who have worked hard, who try to put away a few bucks, who have tried to protect their security in their old age, who worry about what happens to them in their golden years?

Are we on the side of those who are making lots of money, who will get a benefit, the benefits of a tax cut that is being proposed as a result of the exorbitant request that is being made of the senior citizen population of our country or of those who are dependent on Medicaid? It is a backdoor attack.

I do not mean to insult my friends on the other side of the aisle. I am describing what I think is their approach to decimate a program that has been of value. All one has to do is look at the human dimension as we discuss these programs. Forget about the accountant's approach for just a moment, forget about the fact that we are strapped, that we have to figure out ways out of our dilemma in terms of our budget deficit. Just think first about the people who are affected, think of those who worked hard, who put away small sums of money by paying their insurance premiums over the years, who believe deeply that a Government contract, a contract with their Government was something of value that could not be diminished.

We know one thing, Mr. President. That is, that that program, the Medicare Program, has worked incredibly well. All you have to do is look at the life expectancy in our population today and look at the quality of life that people can enjoy even as they age if their health is good, if they take care of themselves at the appropriate time, if they get the right kind of medication, if they get the right kind of physician attention or health care provider attention. The program has worked.

In Russia today, the former Soviet Union, the life expectancy for a male on average is 57 years. Fifty-seven years in this country is beginning to look like the prime of life. I know guys who are becoming fathers for the first time at 57 years of age. It is not something I recommend. I have no opinion on it. I am simply stating a fact. Fifty-seven is young. Age 72, 73 is a time when lots of people can do things that they did when they were much younger. I invite people to go skiing with me sometime to see. I do not like to tell anybody, but my next birthday is going to be my 72d birthday. I served in World War II. I worked hard all my life before I came to the Senate and, I think, since I have come to the Senate, because I believe so deeply in those things that this Government of ours can and should do for its citizens.

We are looking at a \$270 billion cut in Medicare opportunity for our senior citizens, a \$180 billion cut in Medicaid. Mr. President, those who are dependent on Medicaid are either impoverished or disabled. The senior citizen who runs out of funds, who needs nursing home

care, which is becoming an evermore present condition in our society, and who has to spend their time in a nursing home depends on Medicaid for care.

Seventy-one percent of the funds applied for Medicaid are for senior citizens and the disabled, 71 percent. For the disabled, Mr. President we have seen people who are totally dependent on Medicaid support for the sustenance of their lives.

We had a young man in his 20's appear at the Budget Committee the other day breathing from a device on his wheelchair. And as he spoke, he was obviously straining for breath, straining for volume in his voice. He said, "If they cut out Medicaid the way they are planning, if they reduce it the way they are planning, I will lose my ability to continue my life." He is a college student. And that is what is going to happen. This is just not an accounting exercise.

Mr. President, I want us to see a balanced budget in our society, in our country. Frankly, I am not upset whether it takes 7 years or 10 years. I think if we get on the right kind of a down slope, we will be doing the right thing. We have other ways of getting to a balanced budget than slashing programs that the elderly depend on for their health and well-being. We do not have to spend as much on defense as we are spending. We do not have to spend as much giving away mining claims to the folks out West who get benefits from the Federal Government that are beyond comprehension for most people. We do not have to continue to support wealthy corporate farms or corporate ranches. That is not necessary. But we do have to support those people who depend upon us for their very existence. And those are the senior citizens and those who live as a result of having assistance from Medicaid.

Mr. President, again, the question is simply put, whose side are you on? And when we examine the sum of money, the sums that are being asked for reductions in health care programs, \$270 billion is in the Medicare cut, a \$245 billion tax break, much of it for the wealthiest in our society.

The House proposed that if you had an income of \$350,000 a year, you would get a \$20,000 tax break. How does that square? Mr. President, it does not square. We do not believe that it is necessary to lop \$270 billion off Medicaid to save the program as the proponents are suggesting. This is the case where the medicine is far worse than the cure because it could kill you. The medicine can kill you when we start worrying elderly people about whether or not they are going to be able to continue to have health care, whether or not they are going to have to depend on their kids, having the kids worry about whether or not mom or pop or grandma or grandpop is going to have to come to them begging for them to take over. That is what is going to happen if we go ahead with the program as proposed.

(Mr. ASHCROFT assumed the chair.)