

Interlotto officials said players could nominate charities to receive awards. At least five percent of InterLotto revenues will go to charity initially with 65 percent going in prize money and the rest going toward paying costs.

"Every time you book a ticket, you enter a nomination for a charity," Vanrenen said. The foundation, authorized and controlled by the Liechtenstein government, is operating InterLotto.

Liechtenstein, a tax-free country of 30,000 residents wedged between Switzerland and Austria, will not receive any money from the lottery which is non-profit-making.

The government will select charities to receive donations. Ticket purchasers will then vote to decide which of the selected groups receive funds. Organizers hope to sell one million tickets a week by the end of the year.

The British National Lottery donates 28 percent of its revenues to good causes and charities. Like most other government-run lotteries in Europe, the British lottery pays out 50 percent of revenues in prize money. •

#### BUDGET RECONCILIATION VOTES

• Mr. ABRAHAM. Mr. President, during consideration of the Budget Reconciliation Act of 1995, the Senate conducted a remarkable number of rollcall votes, including a record 39 votes on Friday, October 27. I want to take some time now to discuss several of the more critical votes about which I was unable to comment at the time.

First of all, Mr. President, I generally voted against motions to waive the Budget Act for amendments that resulted in higher deficits and amendments to strike budget savings in the bill because they would have moved us away from the goal of balancing the budget by the year 2002. These amendments included the Jeffords amendment on two-part dairy, the Specter amendment to strike all of the savings derived from the Medicare disproportionate share payments, and the Moy-nihan amendment to strike the indirect medical payments provisions. Aside from the respective merits of each amendment, their adoption would have resulted in a deficit in the year 2002, taking the reconciliation package out of balance and causing us to miss our primary goal in this budget process—enactment of a balanced budget.

Second, I voted against amendments to roll back the \$245 billion in tax relief for middle-class families and small businesses. As I have noted previously, as a consequence of the \$900 billion in savings generated from our budget over 7 years, the Congressional Budget Office estimates that an economic dividend will accrue to the Federal Government. In my mind, this tiny surplus belongs to the taxpayers who make all the other Government programs possible, and for that reason, I opposed all amendments to reduce the size of the tax cut. These amendments included the Rockefeller motion to reduce the savings from Medicare to \$89 billion and to offset this reduction by reducing the tax cuts by a like amount; the Bumpers amendment to delay the tax cut for 7 years; the Dorgan-Harkin-

Kennedy amendment to limit the capital gains tax reduction; the Lautenberg amendment to prohibit high-income people from benefiting from the lower taxes; the Baucus amendment to strip out the tax cuts in order to avoid any reductions in spending that might impact rural America; the Simon-Conrad substitute amendment to strike the tax cuts and entitlement reforms; and the Byrd amendment to strike the tax cuts altogether.

As I have said previously, I fully support providing American families and businesses with this modest tax cut. The Republican budget projects that the Federal Government will spend about \$12 trillion over the next 7 years. The tax cut included in this bill would return to the taxpayers just a fraction of that amount. This is certainly reasonable, especially considering the primary beneficiaries of these tax cuts are low- and middle-income families—families that have seen their Federal tax burden rise dramatically over the past 40 years.

Mr. President, let me comment on the Rockefeller motion in particular. The effort to tie the tax cuts included in the budget reconciliation bill with the necessary reforms made to Medicare is disingenuous. With or without tax cuts, the Medicare trustees have stated in no uncertain terms that the Medicare trust fund will go insolvent in 2002. The Senate reconciliation bill makes the fundamental reforms necessary to keep Medicare solvent and it lays the foundation for long-term reform of the Medicare system. These reforms have nothing to do with any tax cuts included in the bill and everything to do with preserving Medicare for future generations.

Mr. President, there were a few amendments offered that pertained to the treatment of low-income families. I opposed Senator BRADLEY'S motion to increase spending for the earned income tax credit by raising unspecified taxes. While the basic premise and goals of the earned income tax credit are sound, it is apparent that the program is in need of reform. As was stated clearly during the debate, the EITC has suffered in recent years from fraud and abuse. According to the Governmental Accounting Office, the EITC has an error and fraud rate of between 30 and 40 percent. Aside from cheating the taxpayers, this problem is also cheating deserving families from receiving payments for which they are eligible.

Under this budget, spending on the ETIC Program will continue to increase, from \$19.8 billion this year to \$22.8 billion in 2002. As a result, the maximum credit available to low-income families with two children will increase from \$3,110 this year to \$3,888 in the year 2002. Contrary to what was argued during debate, EITC payments don't go down under this legislation, they go up.

Another amendment worth commenting upon was the Breaux amendment to

make the \$500 per child family tax credit refundable against employee-paid payroll taxes by limiting the tax credit to children under 16 years of age and phasing it out to families with incomes between \$60,000 and \$75,000. As I noted at the time, I support making the \$500 family tax credit refundable against employee-paid payroll taxes. Nevertheless, I opposed this amendment because it would unfairly exclude many middle-class families who also need this relief. In my State of Michigan, there are many families where both the husband and the wife work. It's not hard to imagine a family where the husband is an auto worker, the wife is a teacher, and their combined incomes are well above the arbitrary cut-off established by the Breaux amendment. Furthermore, there are many families with children aged 16 or 17 who will also lose out under the Breaux amendment. I should point out that teenagers are just as expensive as younger children—if not more; I don't need to remind anyone just how much college costs these days, or car insurance for that matter. Parents of children aged 16 and 17 are struggling to make ends meet too, and they need the tax relief the Breaux amendment would take from them. It is my hope that FICA refundability will be raised during conference and that a solution will be adopted to provide tax relief to as many American families as possible.

Another group of amendments related to Medicare, Medicaid, and other health related matters. Senator GRAHAM of Florida offered a motion to recommit the reconciliation bill to the Finance Committee in an effort to reinstate the Federal entitlement and reduce the level of savings from the Medicaid program proposed in the Republican bill. This was, in essence, a killer amendment. As with the Rockefeller Medicare motion to recommit, the Graham amendment struck at the core of our efforts to balance the Federal budget by the year 2002.

Republicans believe it is time to end the Washington knows best mentality that dominates our budget policies and programs. Under our budget, we want to give the States more control over the Medicaid Program in exchange for an overall reduction in the growth rate of the program. The States have proven that they can deliver government services more efficiently and at less cost if they are given the freedom to do so. The Republican bill does that by placing fewer strings on the funds it provides to the States while focusing its resources on those workers on the frontlines—providing direct assistance to the needy.

There were separate amendments offered by Senators CHAFEE and DODD related to Medicaid eligibility issues. I voted to maintain the Medicaid eligibility criteria already included in the reconciliation bill by the Finance Committee. The Chafee and Dodd amendments would have mandated to the

States to cover certain classes of individuals under the State-run Medicaid Program. Again, this runs counter to our effort to provide States with more flexibility—not less.

A similar amendment was offered by Senator PRYOR. His amendment would have extended existing Medicaid standards with regard to nursing home facilities. At the time of the vote, it was my understanding that the Senate leadership would offer a subsequent amendment addressing the concerns raised by the Senator from Arkansas. This amendment was offered and accepted, and it ensures that Federal nursing home standards remain the minimum protection level afforded to nursing home residents. Under this amendment, States may receive a waiver from Federal requirements, but only if the Secretary of Health and Human Services determines that the State's regulations are as tough—or tougher—than Federal regulations. With the understanding that this amendment would be offered, I voted against the Pryor amendment.

Mr. President, another amendment worthy of note was the Kassebaum amendment to restore funding to the school loan program. I had an opportunity to address these issues first as a member of the Senate Labor Committee. At that time, we were confronted with the need to meet our reconciliation instructions by reducing the cost of the school loan program. While the committee met its instruction by choosing the most acceptable of undesirable alternatives, several of my colleagues and I promised to work to reduce the impact these cuts would have on students and their parents. The result of this effort was the Kassebaum amendment to strike provisions eliminating the 6-month grace period for student, imposing a loan fee on institutions, and increasing the interest rate on PLUS loans. This amendment effectively shielded college students from increased out-of-pocket costs, and I was pleased to see it adopted.

Senator BIDEN offered President Clinton's education tax credit proposal as an amendment to the bill. I voted against it because the reconciliation bill already includes a student loan tax credit of up to \$500 for middle-class families. Our plan also provides considerable additional relief to those families struggling to find enough resources in their limited family budget to cover the rising costs of college.

Senator BAUCUS offered an amendment to strike the ANWAR provisions of the bill. I support responsible, environmentally controlled efforts to explore and develop certain wilderness areas and, for that reason, I voted to table this amendment.

It is important to note that, on this issue, the State of Alaska and its citizens have spoken out. The Eskimos and Alaska's elected representatives recognize the potential benefits of development and support exploration of the region. The Inupiat Eskimos are the his-

toric residents of Alaska's North Slope; they are subsistence hunters who live off the land. Proceeds from oil production means good schools, medical services, and a better standard of living for them and their children.

Furthermore, responsible development of these oilfields is in Alaska's and the Nation's best interest. Alaska's current production facility at Prudhoe Bay, which provides more than 20 percent of domestic oil, is in decline. The State's revenues from oil are projected to fall from more than \$2 billion today to \$700 million in 2010. This could cause a grave fiscal crisis for Alaska. By contrast, if a commercial field is discovered projected Federal revenues could approach \$40 billion.

Finally, it should be noted that the Eskimos, who are dependent on the Caribou, fish, and other wildlife, believe that opening the refuge is compatible with their lifestyle and crucial to their survival.

For these reasons, I support the exploration of the coastal plain. I believe exploration can be done in a manner that protects the environment and also provides needed economic development.

A final tax matter which was addressed during debate was the Specter amendment supporting replacing the current Tax Code with a flat tax. As an extraneous matter, this amendment was subject to a point of order. I voted to sustain this point of order, but I want to emphasize that this vote should not be interpreted as opposition to the idea of the flat tax—but rather opposition to including it on this vehicle at this time. I agree with Senator SPECTER that our current Tax Code is too complex and inefficient and needs to be replaced, and I support investigating the benefits of all of the proposed reforms that have been put forward, including a flat tax.●

#### WOMEN OF DISTINCTION—1995

● Mr. INOUE. Mr. President, I rise to pay a tribute to three individuals who were named the 1995 Women of Distinction by the Girl Scout Council of Hawaii. These women, Gladys Ainoa Brandt, Carole Kai Onouye, Gretchen R. Neal, as well as Sibyl Nyborg Heide, the Girl Scout Council of Hawaii's 1995 Living Treasure, have impressive records of service to the community that more than justify this great honor. They are outstanding role models for young women in the State of Hawaii.

Gladys Ainoa Brandt, an outstanding educator and community volunteer, has committed herself to improving the quality of education in Hawaii. Ms. Brandt held a wide range of positions in the field of education, from classroom teaching to chairwoman of the University of Hawaii Board of Regents. She has exemplified the very best in public education.

Carole Kai Onouye, an inspirational champion of Hawaii's charities, devotes

herself to improving the quality of life in Hawaii. Ms. Onouye serves on the boards of the Variety School, the Girl Scout Council of Hawaii, the Great Aloha Run, and Hawaii Maritime Center, and the USO Golf Tournament.

Gretchen R. Neal is a dedicated health care provider. Ms. Neal, whose goal from childhood was to be a nurse, was the first female to enter the Health Services Administration masters program at the University of Hawaii at Manoa. She has been actively involved with the Girl Scouts throughout her life.

Sibyl Nyborg Heide is an important benefactor in the local community. She, too, has been actively involved with the Girl Scouts throughout her life.

For all that they do for the community, and especially for young women, these four women deserve our respect and admiration.●

#### IMMIGRATION REFORM

● Mr. ABRAHAM. Mr. President, I would like to bring to the attention of my Senate colleagues an important article prepared by Stuart Anderson and Steve Moore of the Cato Institute entitled "GOP Breaches of Contract." This piece explains why the immigration reform bill moving through the House violates the core principles of more freedom and less government that form the basis of the GOP's Contract With America. I would also like to highlight a recent statement signed by several business leaders on the need to maintain America's historic commitment to legal immigration. As we begin debate on immigration legislation here in the Senate, I would urge my colleagues to consider this information carefully. I ask that these materials be printed in the RECORD.

The material follows:

[From the Washington Times, Nov. 6, 1995]

#### GOP BREACHES OF 'CONTRACT'?

(By Stuart Anderson and Stephen Moore)

The "Contract With America" was not simply a list of 10 bills to be voted upon, but rather it represented the governing philosophy of the Republican Party. Unfortunately, the immigration bill recently voted out of the House Judiciary Committee, with unanimous Republican support, violates the four key precepts of the "Contract with America."

(1) Family values. The Contract states: "The American family is at the very heart of our society. It is through the family that we learn values like responsibility, morality, commitment, and faith." The House immigration bill, H.R. 2202, strikes at the heart of family unification by preventing brothers, sisters and nearly all adult children from joining their families here in the United States.

A guarantee to admit 25,000 eligible parents annually (half the current yearly total) was included in the bill, but only after an outside analysis confirmed that no parents could have immigrated if the bill had passed without amendment. But the bill contains a new obstacle for parents—only those who purchase nursing home and Medicare-comparable health insurance will be allowed to