

our Seapower Subcommittee, and I believe they will cause uncertainty, inefficiency, and unnecessary expenditures in the Department's shipbuilding program.

The provisions on the development and procurement of submarines reject a sensible submarine program formulated by the Senate for the next generation new attack submarine. Instead, the bill requires the Navy to submit a new plan for submarine development and construction to build four submarines. Each one, according to the bill, is to be "more capable and more affordable" than its predecessor without further definition.

Our experience on the Seapower Subcommittee makes clear that it is a difficult feat to build a new system that is both more capable and more affordable than the preceding system. This bill calls for a plan to do that four times in 4 years with attack submarines, a very mature technology.

The bill language does not call for the Navy's report to consider the costs and risks associated with such a plan. We gain nothing if we end up with a plan for cheaper and more capable submarines, if they involve risky technologies that fail to work or, even worse, endanger the lives of our submarine personnel by reducing safety standards.

This provision also establishes a new, independent congressional panel on submarine development. On the Senate Armed Services Committee, the Seapower Subcommittee, chaired by Senator COHEN, oversees submarine development. There is no need for another panel, for more bureaucracy, for further review of an issue that is already handled very well by the Armed Services Committee.

In addition, this bill contains language that earmarks contracts for the construction of Aegis destroyers and sealift ships at specified shipyards. These provisions force the Navy to award contracts without the benefit of competition, without the ability to decide the merits of each case at the time of the award.

If there are good reasons, such as industrial base concerns for designating particular ship contracts for particular shipyards, the Navy will come to Congress and tell us what they are. But Congress should not take this action on its own without clear and compelling justification.

Mr. President, also included in this bill is the authorization of \$20 million for Cyclone patrol boats. These craft were not authorized in either the House or the Senate bill. The Special Operations Forces, which use these ships, did not request them either. There is no need for them, and this authorization should not have been included.

Further, the bill prohibits the Defense Department from buying foreign produced roll-on/roll-off ships for the Ready Reserve Force. Meeting the force's requirement of five ships using

upgraded foreign-built hulls will cost a total of \$150 million. The cost of using domestically produced hulls will be between \$1 and \$1.5 billion, well beyond the amount budgeted for this purpose.

Given this massive cost differential, the choice is not merely between buying used, foreign-built ships and new, U.S.-built ships. It is also likely to be a choice between meeting our well-established lift requirements and accepting a continuing strategic sealift shortfall.

I am also concerned about the provision in this bill that relates to the health and well being of our men and women in uniform. One objectionable provision in this bill calls for the mandatory separation of service members found to be HIV-positive. This provision is an especially flagrant example of discrimination against a group of loyal service members.

The Defense Department has made clear its opposition to this requirement. It has repeatedly expressed support for its current policy, which allows service members with any disease or disability to continue to serve as long as they can fulfill their duties and pose no danger to themselves or their fellow service work members. The military has full authority to separate or retire individuals who are unfit for duty.

Individuals with other debilitating diseases, such as hepatitis, cancer, diabetes, asthma, or acute heart disease, are not automatically discharged from the service. This bill singles out only those who are HIV-positive, and there is no justification for that discrimination.

We raised this issue with the Senate conferees and asked for a vote on whether to insist on the Senate position opposing this provision but we were denied that opportunity to do so on this and many other issues.

This bill is supposed to address the defense needs of the United States. Discharging qualified service men and women from our Armed Forces simply because they are HIV-positive serves no national defense need. The Defense Department has certified this point. This blatantly discriminatory provision has no place in this bill.

The conference report also includes a provision that prohibits service women based overseas from obtaining abortions with their own private funds in U.S. military medical facilities. We have always provided this access to our service women to ensure that they have the same quality health care available to those on duty in the United States.

This prohibition discriminates against women serving their country by preventing them from exercising their constitutionally protected right to choose when they are stationed overseas. This added restriction endangers their health, since alternative local facilities in other nations are often inadequate or unavailable.

Under the bill's provision, a woman stationed overseas facing an unin-

tended pregnancy may be forced to delay the procedure for several weeks, until she can travel to a location where adequate care is available. For each month an abortion is delayed, the risk to health increases.

As we continue to struggle over balancing the budget and meeting important national priorities, this bill provides \$7 billion more for defense spending than requested by the administration for the current fiscal year.

At a time when families are going without heat in the winter because of cuts in the LIHEAP program, when aid to education is being cut, when Medicaid and Medicare are being cut in order to provide a tax break for wealthy Americans, it makes no sense to force billions of dollars more on the Pentagon than it wants or needs.

It is a bad bill. I urge the Senate to defeat it, send it back to conference, and ask the conferees to remedy these numerous and serious defects.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I be allowed to speak for 10 minutes as in morning business.

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

Mr. WELLSTONE. Thank you, Mr. President. I shall only speak for 10 minutes.

THE BUDGET AND ENERGY ASSISTANCE FOR THE POOR AND ELDERLY

Mr. WELLSTONE. I wanted to respond to some of my colleagues that had spoken earlier, and I will try to do this in a very substantive way. When colleagues speak and then they have to leave because they have other engagements, I think what you need to do is respond but in a very civil way, because you do not really have an opportunity for the debate when we are not all on the floor at the same time.

Let me first of all thank Senator KENNEDY from Massachusetts for his kind remarks about the Low-Income Home Energy Assistance Program. I would like to thank the administration as well for releasing these funds on Sunday.

Many people called from Minnesota today. Mr. President, this is a good example of a program that really affects people's lives. It is not a lot of money nationwide for the whole country. It is about \$1 billion. And for Minnesota—it is a cold weather State, I say to my colleague who is presiding from North Carolina, a little colder than North Carolina right now, though I think the Presiding Officer has some pretty chilly weather.

The problem is that for all too many people in my State, elderly, families with children, there were people who just could not afford the heat. And

they have relied upon this small grant, which really was more of a survival supplement than an income supplement. It is called a cold weather lifeline program. We had situations that were being reported by the newspapers and by television, and I met with some of the families where people were trying to heat their homes by turning on their oven or people were just living in one room. It is very cold. It is about 8 degrees above zero, actually warmer today, but had been around 8 degrees above zero last weekend. Two weekends ago it was a 50-below wind chill.

So it is extremely important to get some assistance out to people. We do not want people to go cold in America. None of us does. I thank the President for releasing that money. It makes a huge difference.

Mr. President, my disagreement—and I think it is a profound disagreement—with some of my colleagues about where we are at this moment in Washington is two or threefold. First of all, the Government shutdown, I do not think it is necessary. I think it is quite independent of what decisions we make about what kind of a budget we have over the next 7 years and how we balance that budget. I mean these are big decisions. They are choices we make.

We have some real sharp differences among us. I think we should continue to negotiate. I hope we can reach agreement. But I do not think the Government should be shut down. I think that is just sort of exerting leverage at its worst, and I think a lot of innocent people are being asked to pay the price. It is inappropriate, and I hope that no later than tomorrow we will go forward with a continuing resolution and we will continue to go forward with the negotiations on how it is you balance the budget.

My second point is priorities. Talking about the energy assistance program, on the House side for the future it has been eliminated. This is the other debate. The total cost of this program to make sure people do not go cold in America is less than one B-2 bomber. The Pentagon is telling us they do not need all the B-2 bombers that have been funded over the next number of years in the Pentagon budget.

So, Mr. President, I really believe that the debate is about balancing the budget, not so much whether we should or not. I think that all of us—and there is plenty of blame to pass around if you look at how this massive debt was built up. We are not even paying the debt off, we are trying to pay the interest off on the debt. That is what we are really talking about when we talk about balancing the budget. But the real question is how do we do it and whether or not it is based upon what I would call a Minnesota standard of fairness.

Mr. President, I have to tell you, I would agree with the commentator Kevin Phillips, who two mornings ago essentially said, as I remember, that he

thought that this balanced budget proposal on the part of my colleagues on the other side of the aisle actually was not a serious effort to balance the budget. It was more about tax cuts or tax giveaways for wealthy people in the main and, in addition, eviscerating, ending safety net programs in this country for the most vulnerable citizens and very good for the bondholders.

I think he is right. The reason I think Kevin Phillips is right—and I paraphrased his analysis, it is not a direct quote—is because there are all sorts of ways in which we can balance the budget, but it is interesting how much has been taken off the table. I say to people in the country who might be listening to this debate right now that when my colleagues talk about balancing the budget, one piece they leave out is the whole Pentagon budget.

Here we are in a post-cold-war period, there is no longer a Soviet Union, and we are talking about \$245 billion plus for the Pentagon budget—star wars, Stealth bomber, Trident submarine, lots of money spent on military forces to protect many countries in Western Europe and in Asia.

I think that can be changed and scaled down with no threat to our national security, and it should be. As a matter of fact, the real national security of our country is not more Stealth bombers, more star wars; the real national security is jobs and adequate housing and affordable child care and decent transportation for people who live in our communities. The national security of the United States of America is the security of our local communities where people do not have to worry so much about the violence and the crime, where they have some confidence their children are going to good schools, where they can believe their children will do well economically, where they have decent jobs at decent wages, where they can look forward to a pension and, yes, where they do not have to worry about health care costs as they become elderly. That is the real national security.

There is all this money on bombers and missiles and all of the rest, no reductions in the Pentagon budget, at the same time you have these deep reductions in nutrition programs for children, for God's sake. I think the Democrats are doing too much in that area, but it is a huge difference from what I see the Republicans are doing in cuts in education and cuts in health care, whether they be Medicare or whether they be medical assistance or whether they be environmental protection.

People in our country, I think, want to see us fiscally responsible. They want to see us get serious about getting our economic act together. But there is a sense of fairness that people have in the country, and that is what is so wrong with this budget proposal that we have had before us, and that is why the President of the United States

is doing exactly what he should do and which the vast majority of people want him to do. I think he commands a tremendous amount of respect for this, because what he is saying is, "There are ways to balance the budget and there are ways to balance the budget, and I am interested in doing that, and I make a commitment to doing that, but I'm not going to do it if it means hurting children; I am not going to do it if it means taking away the quality of health care for elderly people; I'm not going to do it if it means we are moving away from a commitment we made as a national community to make sure there is care for the elderly or disabled or those people in nursing homes; I am not moving away from protection of the environment; and I am not moving away from the earned income tax credit which has been so important in encouraging families with incomes under \$28,000 a year to work and provides people with incentives to work."

He is on the mark.

I just say to the Chair, and I say to my colleagues, if you want to balance the budget, you have to do it based on some standard of fairness. You cannot target so many of the cuts at working families, middle-income people, low-income people and, at the same time, have so many of these multinational corporations and the most wealthy citizens and the military contractors all essentially not asked to tighten their belts. It makes no sense by any standard of fairness, which I think the vast majority of people in this country are committed to. That is what this debate is all about.

Mr. President, I could go on and on. I will not. I just simply wanted to, as long as we are having some discussion tonight on the floor of the Senate, inject a somewhat different perspective than the ones I heard from some of my friends on the other side of the aisle. I guess if I had a Hanukkah wish, being an American Jew and Hanukkah started last night, if I had a Hanukkah wish, much less Christmas wish, it would be that we tomorrow reach an agreement that there will be a continuing resolution, the Government will not be shut down. We should not have people who are really worried about being able to make a living not being able to work.

We, of course, are involved in negotiations in good faith. We are not going to resolve these major questions in the next 3 days, but we will resolve these questions, hopefully, over the next month. I think we have to be involved in serious negotiations, substantive negotiations and good-faith negotiations, and if the differences are irreconcilable, then I suppose those differences and what people think about the position we take, as opposed to my colleagues on the other side of the aisle, the differences between President Clinton and Speaker NEWT GINGRICH will be resolved in the election.

But I do not think we should continue to hold a lot of people hostage. I do not think we should continue to

make a lot of innocent people pay the price.

So my hope is that tomorrow there is no more Government shutdown; that tomorrow we look forward to substantive negotiations in good faith, honest debate, not hate, with civility, trying to reach an agreement. These are big decisions we are going to make that are going to affect our country going into the next century. We ought to do it thoughtfully, carefully, and if we can reach an agreement in January, great, and if we cannot reach an agreement, then maybe, in fact, the differences are irreconcilable. Then the people of the country can make the decision. That is the way it is supposed to be in a democracy.

Happy Hanukkah, Merry Christmas. I hope we soon get home to be with our loved ones. I yield the floor.

Mr. REID. Mr. President, I see on the floor the esteemed senior Senator from Rhode Island. I will be happy to yield to my senior colleague if he wishes to speak. I am going to take 15 or 20 minutes.

Mr. PELL. I thank my friend very much.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE BUDGET IMPASSE

Mr. PELL. Mr. President, I do not believe there is justification for the partial shutdown of the Federal Government. It is really occurring only because of a widely perceived and grossly exaggerated assumption that the long-term Federal budget must be concluded in the same timeframe as the annual appropriations bills.

There is no real basis for a linkage between the two beyond the budget for the current fiscal year. The fact that there is an assumption of linkage beyond that point is, at best, an artful strategy or, at worst, a hoax on the public and on our democratic Government. Appropriations and reconciliation are two completely different processes.

On the one hand, it is notable that significant agreement already has been reached on a great many major reductions in Government expenditures in the 13 major appropriations bills that have been or are being processed. But they are all badly behind schedule, through no fault of our President, and six of them are heavily burdened by extraneous provisions dealing with matters like striker replacement and the abortion issue—matters that should be addressed in separate legislation on their own merits. And now the passage of interim spending authority has been arbitrarily made a condition of budget reconciliation.

But the reconciliation process is an entirely separate matter. Unlike the appropriations process, the failure of which leads to a cutoff of current funding, the reconciliation process is not driven by immediate need. Absent passage of a reconciliation bill, current

law stands. The Government continues to operate at existing levels until reasonable agreement can be reached about changed priorities and a new level of commitment.

That the two processes were declared to be compressed into the same timeframe is simply a transparent device to force acceptance of policy choices that are not in accord with the priorities of the American people or the President.

The second continuing resolution passed in November tightened the time frame by specifying that a 7-year balanced budget plan should be enacted in the first session of this Congress, which presumably ends January 2. But the remaining period of 2 weeks includes the traditional holiday season and it seems to me that any comprehensive solution forced this week would inevitably be flawed by haste.

Mr. President, the time for budgetary hostage-taking is over. The country will not stand for it and both parties put themselves at risk of public rejection because of what appears to be petty and small-minded squabbling.

As I see it, the solution must come in two separate steps:

First, the appropriations process must be concluded without any further delay. All remaining bills should be sent to the President forthwith in whatever form a majority can approve. Vetoed bills should be returned promptly so that revised versions can be enacted. A realistic continuing resolution should be passed providing funding authority at least until January 12 to allow for the process of revising and repassing vetoed legislation.

Second, separately, the terms of the second continuing resolution must be modified to provide for an expanded time frame for reconciliation extending into the second session. The President is entitled to adequate opportunity to secure the best budget he can obtain that will reflect his highest priorities, while still honoring those of the congressional majority. As a practical matter, it will be necessary to reach closure on at least the first stages of a long range budget by the statutory date for presentation of the fiscal year 1997 budget by the first Monday in February.

Mr. President, I offer these views from a vantage point of some detachment. I have not endorsed the idea of a balanced budget and I do not subscribe to the mantra that it should be achieved in the arbitrary timeframe of 7 years.

I do believe we should curb deficit spending, and that includes borrowing to pay for a tax cut. And I do not believe the agenda of the United States should be set by a willful subgroup of the House majority.

Clearly, we all are going to have to give ground. We in the minority, for example, must acknowledge more candidly the need for constraints on the Federal medical programs. The majority must relent their drive to curtail great advances we have made in social

legislation, particularly education. And both sides, I believe, must acknowledge the patent futility of cutting taxes at the very time we seek to curtail deficits.

Tax cuts must be deferred for the present, even if it means a delay in more favorable treatment for capital gains, and I support more favorable treatment for capital gains.

I think the image that the country has of us is that of children squabbling. I hope the sooner we can get down to business and reach a compromise, the better off we are. Plus the Government only moves when there is compromise. And in this case we are denying it the opportunity to work.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Nevada.

THE BUDGET IMPASSE

Mr. REID. Mr. President, I was asked by our floor leader, Senator DORGAN, to come to the floor and offer my views on what is going on with the impasse now facing us.

First, I think it is important to recognize how well the country is doing. We tend to hear so much negativism about our country. The fact of the matter is that our country is doing remarkably well economically. Why do I say that? We have had the lowest inflation and unemployment in some 40 years. Mr. President, we have had corporate profits that have never been higher. They have sometimes been as high, but never higher. We have economic growth that is as good as it has been since the days of John Kennedy. The stock market has been going up significantly. There have been some people crying out that it went down today. Well, there have been adjustments coming. Any stock forecaster would tell you that there would be adjustments. It happens toward the end of the year every year. With this remarkable climb we have had in the stock market, it is not unexpected.

I also say, Mr. President, that we have heard a lot in years gone by about Government being too big. I think those of us in this Chamber would acknowledge that Government has gotten too big. But what has happened in the last 2½ years? We have 175,000 fewer Federal employees today than we had 2½ years ago, excluding the military. I think that is pretty good. I think it speaks well of what has happened in this Government and in this country in the last several years. Now, we have not done enough, but let us talk about the good things that are happening in the country.

This economy is on fire. It is doing great. What about the so-called CR, the continuing resolution? It is something the American public hears all the time. Why are we talking about a CR, a continuing resolution? We are talking about a continuing resolution because, each year, by the first of October, we