

Mr. DOLE. Mr. President, let me thank my colleagues, particularly Senator DASCHLE, the Democratic leader. We did discuss it today at the White House. It is not a perfect solution as people will find when they get into it, because if the employee returns to work and there is an expenditure involved they may not be able to carry out their normal duties. But at least I think from the standpoint of self-esteem, whatever, the Federal employees can come back to work and if they are paid, that would be satisfactory to them and to others who object to Federal employees being furloughed and then being paid. When they come back, they will not have a problem because they will at least be reporting for work and they will be at work and they will be paid.

It seems to me that in fairness to the Federal employees, this is not—as I said earlier, they are sort of in the middle. They are sort of the pawns in this exercise. I hope the House will take this and consider it carefully. Maybe they can improve upon it. They will be back on Tuesday. And I thank my colleagues on both sides for clearing this legislation.

Mr. FORD addressed the Chair.

Mr. DOLE. I will be happy to yield.

I yield the floor.

Mr. FORD. One item we tried to add to the continuing resolution earlier today was a clean CR so that we would not have any question.

Mr. DOLE. Right.

Mr. FORD. And the distinguished majority leader said in the Chamber yesterday he did not approve of closing Government down. And I appreciate what he is trying to do here. I think this needs some work on it.

Mr. DOLE. Right.

Mr. FORD. I believe the majority leader agrees with that, because if the others are not being paid, how does that Federal employee perform the service that he is there voluntarily doing until such time as a continuing resolution is passed for them to be paid?

So I thank him for trying here, but a clean CR would have been much better than what we are trying to do. We are monkeying with the statutory provisions now, and I am not sure that we are doing everything that we ought to do. A clean CR would have accomplished the end result, and I think it is unfortunate that we are furloughing Federal employees by statute and then paying them for not working by continuing resolution at the rate of \$40 million a day.

I yield the floor.

Mr. WARNER. Mr. President, I say to my distinguished colleague, this is a clear effort by the distinguished majority leader and, indeed, with the consent of the distinguished minority leader to take this process a step further.

Mr. FORD. I understand that.

Mr. WARNER. Let us make it clear that this is a step forward, and it puts all Federal civil servants in one category and not two classes, so to speak.

Mr. FORD. I understand that, I say to my friend. And I say to him, a clean CR would have taken care of everything, and now we send what we think is compassionate in our clean CR to the House and they take out Medicaid and send it back to us and recess.

These sorts of things just do not ring well outside the beltway.

Mr. WARNER. Mr. President, the Senate included the Medicaid provision and the House seems to think that there are other sources of funding available. A signature pen on a lot of these bills would have obviated many of the problems. So I do not suggest at this time, this late at night we ought to reopen what has been thoroughly debated this week.

Mr. FORD. I understand.

Mr. WARNER. This is a substantive, concrete step forward by the distinguished majority leader, and I am privileged to have been the cosponsor of this legislation.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I do not argue with my friend from Virginia at all. I have had a call from my State as it relates to the Medicaid payment. They are very concerned about it. That is a quarterly payment. It ends this month. The January, February, and March quarter for Medicaid is vitally important to them. And then when we have the, I think, good judgment to include that in the continuing resolution and the House said there are other means of paying it, well, if there are other means of paying it, let us not fuss at the Secretary of the Treasury trying to keep the Government open and keep it afloat with money when he finds other ways to make ends meet around here.

So I just wanted to make the point, and I do not want to offend my friend from Virginia. I understand what the Senate is trying to do and I applaud Senator DOLE for saying he does not want to shut the Government down. So the blame now is where it ought to be. The blame now is where it ought to be, not on the Senate.

#### BUDGET NEGOTIATIONS

Mr. HEFLIN. Mr. President, these budget proposals now being negotiated will directly affect virtually every segment of the Government and every citizen of this country.

I am strongly in support of deficit reduction and favor the elimination of the national debt over a period of time. I have long supported a balanced budget amendment to the Constitution. I supported the 1993 reconciliation bill which has already led to significant reductions in our annual deficits. But as with any omnibus legislation of this type, there is a right and wrong way to pursue the same goal.

In our endeavor to achieve reductions in deficit spending, our priorities should be to reach an agreement on a 7-

year budget and eliminating the Federal deficit. I think this is the wrong time for tax cuts. Eliminating tax cuts from the equation at this time will enable us to reach an agreement on the budget, and overcome this political impasse. Consideration on the proposed tax cuts should be postponed for 2 years to determine if deficit targets are being met, and in order to allow intensive study and hearings to determine what taxes should be reduced and how much taxes can be cut without detouring off the road toward a balanced budget.

Furthermore, focusing our attention to balancing the budget and reducing the Federal deficit, while postponing consideration of tax cuts, will allow hundreds of thousands of Federal workers to return to work and return a sense of financial stability to our country.

I have several major concerns surrounding the proposals, but the most disturbing are the cuts in Medicare and Medicaid. The Republican plan would cut Medicare growth by \$270 billion over 7 years. It mandated a major restructuring of the program to supposedly give Medicare enrollees a wide range of options to join private health plans. However, I am concerned that instead of options, senior citizens would be faced with fewer alternatives, and forced into certain plans because they have no choice.

This direction would ultimately cause senior citizens to be charged more for health care while receiving less in Medicare. A great portion of the savings in Medicare would result by raising the part B premium. The premiums that our senior citizens pay would rise from the \$46.10 per month to nearly \$90.00 by the year 2002.

I have reservations and misgivings with regard to any Medicare reform that threatens the access to, and quality of, health care for senior citizens. I am fearful that the Republican plan would cut inpatient hospital service, home health care services, extended care services, hospice care, physicians services, outpatient hospital services, diagnostic tests, and other important services to our senior citizens.

In addition to a reduction in services, the following immediate burdens would be placed on our senior citizens: For fiscal year 1996, the monthly premium would rise to \$53.70. Participants in the part B program would be required to pay the first \$150.00 of expenses out-of-pocket rather than the current \$100 deductible. These combinations with the proposal to raise the eligibility age to 67 leads me to believe that seniors are being singled out to bear the brunt of budget cuts.

These extreme cuts to Medicare also threaten health care for millions of people of all ages living in rural America. Since rural hospitals rely on Medicare for a significant proportion of their revenue, they will be particularly hard hit. Some will be forced to close altogether. Hospitals in rural areas are

few and far between. A hospital closing affects all rural residents in the vicinity, not just seniors on Medicare. Under the GOP plan, these Americans will be forced to drive further to the nearest hospital, putting lives at risk.

Not only do these proposals cut Medicare, but Medicaid is also being reduced over the next 7 years. For the past 30 years, the Medicaid Program has been America's health and long-term care safety net. The Republican proposal was to repeal Medicaid, slash its Federal funding over the next 7 years, and to turn remaining Federal funds over to the States in the form of a block grant. In a State like Alabama, which is habitually faced with budget proration, the effects of such additional burdens would be huge and devastating.

The bottom line is this—these Medicaid cuts are simply too much, too soon. Our State will not be able to cope without hurting people severely.

Mr. President, as I stated before, our primary objective must be to first focus on passing a budget that reduces the Federal deficit without putting Americans who rely on Medicare and Medicaid at risk, and then after 2 years, turn our attention to the issue of reducing taxes.

#### PASSAGE OF THE SOURCE TAX BILL

Mr. REID. Mr. President, today, I am extremely pleased to announce that the source tax bill has again passed both houses. As many of you know, this legislation was passed in the 102d and 103d Congresses, and again in the 104th Congress as an amendment to the budget bill, only to be struck because of the so called Byrd rule. I have been working on this issue virtually since I came to Congress.

There are many people who have been essential to the bill's passage, and I wish to acknowledge some of them now. This issue was brought to my attention by a Navadan named Bill Hoffman. He told me about the unjust cases of retirees being taxed by States they no longer were living in. Many of these stories were very tragic, because the retiree relied completely on their pension incomes to survive.

Bill and his wife Joanne heard so many of these tragic stories that eventually they started an organization known as Retirees to Eliminate State Income Source Tax [RESIST]. RESIST was founded in July 1988 in Carson City, NV. In less than 4 years, it had grown in membership to tens of thousands of members. It includes members of every State of the Union. RESIST is truly a nonprofit, grass roots organization, and I congratulate and thank Bill and Joanne today for their tireless efforts. Without their help the source tax bill would not have made it to this stage today.

I would also like to extend my sincere thanks to Chairman ROTH and Senator MOYNIHAN, their staff, and es-

pecially the Finance Committee staff, for all of their help getting the source tax bill out of committee and to the floor. With everything that has been going on in recent weeks, they made this bill a priority and I am very grateful for their hard work.

I also extend my thanks to Senator BRYAN and Congresswoman BARBARA VUCANOVICH and her staff. The Congresswoman has also been working on this bill for a very long time, and my colleague, Senator BRYAN, has been continually supportive and essential in the passage of this bill.

Currently, retirees may be forced to pay taxes to States where they do not reside, and from which they receive no benefits. This is truly an unfair practice, especially for those retirees with relatively low incomes. This bill prohibits States from taxing the retirement income of nonresidents. It ends taxation without representation. It will protect all income received from pension plans recognized as qualified under the Internal Revenue Code. It will also exempt income received under certain nonqualified deferred compensation plans.

Often times, the pension income retirees receive is the only income they have on which to live. I have heard many stories of the devastating effects of taxing these pensions. One story, which I have told on this floor before, is of an older woman from Fallon, NV, who had an annual income of between \$12,000 and \$13,000 a year. One day she receives a notice from California saying she owes taxes on her pension income from California, plus the penalties and interest on those taxes.

The California Franchise Board had gone back to 1978 and calculated her tax debt to be about \$6,000. That is half of her annual income. This story, as unfair and unequitable as it sounds, is unfortunately not unique. That is why this legislation is such a big victory for all retirees in this country.

#### THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt is now slightly in excess of \$11 billion shy of \$5 trillion.

As of the close of business Thursday, December 21, the Federal debt—down to the penny—stood at exactly \$4,989,393,165,359.35 or \$18,939.82 on a per capita basis for every man, woman, and child.

#### GOVERNMENT "SHUTDOWN"

Mr. SIMPSON. Mr. President, as this unprecedented Government "shutdown" continues, I trust we will not fail to consider its impact in terms of how it affects so many individuals.

In my home State of Wyoming—a "public lands" State—the closure of national treasures such as Yellowstone National Park inflicts pain and frustration on many fronts. This closure, and the shutdown of related facilities and

activities in my State, is a "hammer blow" to the recreation industry. It is an extreme disappointment to those who have long planned outdoor recreational vacations in that pristine winter environment. It also has a devastating economic impact on businesses and individuals throughout the region.

All across America, people's lives are being harshly affected by this action and it is all too easy—in our effort to view this problem on a regional, national, or even philosophical scale—to forget the needs and desires of the many individuals who sent us here to Washington not to bicker things to death, but to try to resolve them.

Let me cite here another example of the many affects of the shutdown of key services and facilities. I am deeply honored to serve as a Regent of the Smithsonian Institution. It is shut down. People from around our Nation—and from all around the world—as a part of this holiday season, have gathered their families to visit the Anacostia Museum, the Arts and Industries Building, the Cooper-Hewitt National Design Museum in New York, the Freer Gallery of Art, the Hirshhorn Museum and Sculpture Garden, the National Air and Space Museum, the National Museum of African Art, and National Museum of American Art, the National Museum of American History, the National Museum of the American Indian, the National Museum of Natural History, the National Portrait Gallery, the National Postal Museum, the National Zoological Park, the Renwick Gallery, the Arthur Sackler Gallery, the Smithsonian "Castle," the National Zoo, and a host of research facilities. But they won't. They can't. These facilities are not open to the tax-paying public. Their treasures are not to be viewed. The people who so wish to visit them over the holidays must be wondering wide-eyed, "What on earth is going on!?"

The museums of the Smithsonian report more than 25 million visitors annually. This great treasure of an institution is about to celebrate its 150th anniversary. And yet it is closed.

Last December more than 1 million people visited the Smithsonian museums and galleries.

In past years, visitorship in the last week of December has been double the week before. This year, most likely, it will not be.

The Smithsonian's retail shops and restaurants netted \$2.6 million for the Institution last December—\$440,000 in the final week alone, not counting restaurant proceeds. This is traditionally one of the most productive months for these operations of the Smithsonian. Until this year.

Another beneficiary of the Smithsonian's "draw" is the District of Columbia—itself in the midst of a major financial crisis. The Smithsonian's closure will certainly result in a parallel reduction of income for the District, as people learn there is no reason—and no way—to visit.