

As economically painful as it may be for workers and their families, resorting to a strike is sometimes the only way to resolve a labor dispute. But when employers are free to replace striking workers, that leverage disappears and the imbalance destroys any hope of meaningful conflict resolution.

We have seen it in the precipitous drop in the number of strikes over the past 20 years. There are nearly half the strikes in the early 1990's that there were in the 1970's, and the number of union members has also declined.

The attack on this Executive order is part of a well-orchestrated effort to dramatically reduce the Federal role in workers' security. This effort ranges from calls for the elimination of the Federal minimum wage law, to proposals to repeal the Davis-Bacon Act, to efforts to minimize the regulation of workplace safety. These efforts are orchestrated to continue the rollback of the progress we have made for decades under the auspices of the National Labor Relations Act and other important labor legislation. As the rollback continues, while unions are threatened, the American worker and working families have seen their incomes and the level of job benefits plummet. In constant dollars, wages have now declined by more than 10 percent in 10 years. Wages have actually gone down by more than a dollar an hour since the 1970's. Moreover, far fewer workers have health insurance benefits or retirement benefits than they did back then.

Without the right to strike, workers continually lose the right to negotiate. Without the right to negotiate, they lose the right to benefits, benefits on which they and their families depend.

By taking this action, the President is simply saying, "If you're going to bid for Federal tax dollars on a Federal contract, all we ask is that you live up to the intent of the National Labor Relations Act. If there is a strike, we want you, the company, to resolve it in a responsible way. We want you to renounce the practice of hiring permanent replacements."

Working families are counting on us to support the President. This is a very important vote for them and for the future of labor law in this country. A vote against cloture is a vote for working Americans at their time of greatest need. It should also be a clear sign of our desire to reverse the long downward slope of economic security for all working families. There is much which must be done, including the passage of meaningful health reform during this Congress. Hopefully, we can do that and many other things to restore the kind of security and confidence that working families must have if they are to look to the future with any more optimism than they can right now.

But this is the place to begin, on this vote, on this important issue, to send the kind of clear message: that we understand the importance of balance,

that we understand the importance of fostering meaningful negotiations between workers and their employers, that we understand the right to strike, that we understand the importance of a law that has now been on the books for 60 years, and that we restore the kind of equality in the workplace that workers now say is even more important than it was back in 1935.

So, Mr. President, I hope that we can defeat this cloture motion and send the kind of message that I know Republicans and Democrats want to be able to send to working families. And that is: we appreciate your plight, we appreciate your need for security, we appreciate your need for more confidence in the future than you have right now.

I hope that all Senators will understand that message and support us in our effort to defeat cloture on Wednesday morning.

With that, I yield the floor, and 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. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

The Senator from Arkansas is recognized.

(The remarks of Mr. BUMPERS pertaining to the introduction of S. 545 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

RETURNING TO STATES RESPONSIBILITY FOR COMPLEX ISSUES

Mr. GRAHAM. Mr. President, I first would like to commend our friend and colleague, the Senator from Arkansas, for another outstanding statement on a cause that he has led for many years, and I hope, I say to the Senator from Arkansas, that we are close to the time when your long walk will reach its destination. I agree with the comments that you have made today as to the fairness and the rationale of moving forward as the Supreme Court has now allowed us to do to sanction States to impose this sales tax on mail order businesses.

But, Mr. President, I suggest that there is another reason why this is an imperative at this point in time. We are soon to consider a series of proposals that will have the effect of devolving back to the States, returning to the States significant responsibility for some of the most complex domestic programs that we have in our Nation, programs, in some cases, in which the States have had current involvement, such as the Medicaid Program, some programs in which the Federal Government has in the past played a priority

role, such as welfare, and others that are mixed.

If we are prepared to say that the States are able to provide the administrative machinery to carry out these complex domestic programs, I find it hard to say that the States should not be entrusted with the authority to make a judgment as to whether it is in the interest of their citizens to tax products that come in by mail order in a parity means with products that are purchased within the State itself, and that is essentially what the issue is with the legislation proposed by the Senator from Arkansas. We are not imposing the tax, we are authorizing the 50 individual States to make a judgment as to whether they believe it is in the interest of their citizens for those States to impose the tax.

I am also concerned, Mr. President, about what we are about to do to States, and I come out of a background as a very strong believer in the State Government sensitivity to their people, to their capability to operate programs effectively and efficiently and to their innovative capabilities. But the States also are not alchemists, they do not have the ability to take stones and rub them and convert them into golden coins.

We are going to be sending substantial responsibilities back to the States with substantially less dollars than we had felt it was necessary to operate those if they were still under Federal obligation. As an example, in my State of Florida, the calculations are that if we send back Medicaid, the program that provides financing for indigent Americans, to the States, that over the next 5 years, the State of Florida will receive approximately \$3.5 billion less than the individual recipients of those funds would have received had we stayed with the current Federal program—\$3.5 billion less.

The State of Florida this year, from both Federal and State sources, will spend approximately \$5 billion on Medicaid. So we are talking about very substantial percentage reductions in funds available.

Why is it going to cost the State of Florida so much? In part it is because the formula that has been suggested is one that essentially says we take the status quo, we freeze it for 5 years and allow essentially a cost-of-living adjustment. In my State, we are a growth State which is adding a substantial population every year. For the last 15 years, we have grown at a rate in excess of 300,000 persons a year. Many of those 300,000 are in the high-target populations for Medicaid. In my State, about half of Medicaid expenditures goes for the elderly, primarily for long-term care.

So if we are going to say for the next 5 years we are going to freeze the program at a cost-of-living factor and not take into account growth in population, not take into account growth in those populations that are heaviest users of these programs, we are going

to be imposing very serious financial obligations on the States.

I think that as we enter into this debate on turning responsibility back to the States, we have an obligation to also ask the question, what are we going to do to assure that the States have the fiscal capacity to accept those responsibilities that we are imposing?

I believe the Senator from Arkansas has certainly pointed to what ought to be at the head of the line as we begin to ask that question of fiscal responsibility. Here is the program for which there is no rationale as to why the Federal Government should deny the States the authority to impose this tax. There is every reason in terms of tax fairness that they should, in fact, treat mail order sales in parity with sales from the local Main Street store, and the States are going to need the revenue this will provide.

In my State of Florida, the estimate is that in 1974 had the sales tax been applied on mail order sales to the same extent it was on Main Street sales it would have produced \$168.9 million. That will not close all the gap that our States are going to be faced with as they are asked to take on these new responsibilities, but it will be a worthy beginning.

So, Mr. President, I believe for all of the reasons that the Senator from Arkansas has cited with such force and eloquence, as well as the time in history in which we find ourselves, in which we are about to ask the States to do more, that we should also have a concern about how our brethren in the Federal system are going to have the capacity to accept those responsibilities.

We say that it is not our purpose to have a dramatic fraying of the safety net. The safety net in my State for hundreds of thousands of older Americans who are in need of long-term care and who have spent all of their life savings as their health condition deteriorated, I do not think we as a nation want to turn those people out of the kind of institutions that they need in order for their well-being.

We are asking the States now to pick up a much larger share of the cost of providing for those Americans. This is a beginning of a demonstration of the Federal Government's commitment to see that there are adequate resources available at the State level to meet the additional responsibilities that we are proposing to impose.

So, in closing, I want to thank my friend from Arkansas for his leadership in this effort. I hope his leadership will be rewarded by successful passage of this legislation and passage in 1995. Thank you, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me, first of all, thank my very distinguished colleague from Florida, a former Governor, as was I, who fully understands the problem the States are

going to have with unfunded mandates, but also for his very perceptive comments about the legislation.

Now, Mr. President, let me make just a couple of observations. I see the Senator from Michigan awaits recognition, so I will not be long. But the Senator from Florida has just told you about some of the budget constraints on them because of the Medicaid Program, but there are a whole host of others.

This bill has the potential for \$169 million a year for the State of Florida. That is not beanbag either. And I promise you the Governor of Florida favors this legislation. I promise you the Governor of virtually every State in this Nation favors this legislation. As I said, every mayor, every county executive favors it. But the point that must not be lost sight of is we are not imposing anything. We are simply saying to the States, if you choose to do this, it is your prerogative. If you do not, that is also your prerogative. But we are also saying that if you do not have a sales tax in your State, you cannot charge it.

There are five States in this country that have no sales tax. This bill would not apply to them. They would not be able to charge this because they do not have a tax that they tax their own citizens with, and therefore they could not tax citizens of other States.

How many times have you heard in this body that the reason for the big revolution on November 8 was people are tired of being told what to do. They want somebody to listen to them. They want to have some discretion over their own lives and what they want to do.

Now, here is a classic case of doing precisely that. We are saying to the States we are going to enable you to help yourself if you choose. But that is your discretion, not ours. So how can anybody quarrel with that? If you vote for this and you do not personally approve of it, go tell your Governor I voted for it to give you the discretion. But if you do not want to do it, that is OK with me.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

TAX CUTS IN MICHIGAN

Mr. ABRAHAM. Mr. President, I rise today to congratulate John Engler, Governor of my State of Michigan, for signing into law last week his 12th, 13th, 14th, and 15th tax cuts since taking office.

Governor Engler has increased the personal exemption in our State to at least \$2,400, saving Michigan taxpayers \$69 million on their income taxes in fiscal year 1995. The exemption also will be indexed for inflation starting in 1998.

He has created a new refundable income tax credit for college tuition that

will help individuals and families struggling to get an education.

He has reduced the single business tax by removing unemployment and workers' compensation funds and Social Security payments from the tax base.

He has begun phasing out Michigan's intangibles tax, raising the filing threshold and providing for its total repeal, effective January 1, 1998.

Mr. President, 70 percent of these tax cuts will benefit individuals, with 30 percent benefiting the State's job creators. Taken together with the other 11 tax cuts he already has implemented, these cuts will save Michigan taxpayers \$1.2 billion this year alone.

We here in Congress would do well to look at Governor Engler's performance in setting out our program of fiscal reform from the Nation. When he took over as Governor in 1991, John Engler inherited a \$1.8 billion deficit. That means that in 1991 Michigan was running a deficit that equaled 10 percent of its total State spending—almost as large a deficit in proportion to total spending as the one run here in Washington.

Governor Engler had a tough choice to make. He could maintain Michigan's current spending levels and increase taxes, or cut spending and hold the line on taxes. But he decided to choose neither course of action, instead boldly cutting both spending and taxes.

And the results have been remarkable. Through aggressive use of his line-item veto he brought about an 11-percent cut in real, after-inflation spending. In addition, he made Michigan our Nation's top State in creating manufacturing jobs, more than 40,000 in the last year alone, second in the Nation in personal income growth, and a leader in lowering unemployment rates. All this while increasing State funding to educate Michigan's children.

Mr. President, Michigan can serve as an example to the Nation of how aggressive budget and tax cutting can go together to spur economic growth and better the lives of our citizens.

We too can get our spending under control, without cutting essential programs; we need only the courage to put in place and utilized the tools Governor Engler and the Michigan State Legislature used to bring their State back from the brink of economic disaster.

Michigan's constitution required a balanced budget; it also provides the Governor with a line-item veto. Both of these tools were essential to Governor Engler's efforts to bring spending under control.

We have the power to do for America what Governor Engler and his partners in the State legislature have done for Michigan, if we are willing to enact a line-item veto and add a balanced budget amendment to our Constitution. These tools will help us order our priorities and discipline our spending.

Most important, we must recognize that by taxing the American people