

It is an interesting concept of focusing tax relief.

Mr. President, we have seen this plan before. We have seen it all before—back in the 1980's. If we look back at that time, we see what happens to the middle class. Do they benefit from this kind of plan to give big tax cuts to the wealthiest among us and explode the deficit? No. We can look back and see what happened in the 1980's. The top 1 percent saw 62 percent of the wealth growth go to them. The top 1 percent got 62 percent of the wealth growth in that period. The 80 percent at the bottom saw their wealth growth of 1.2 percent. That is trickle-down economics. What we have learned is that wealth does not trickle down. It gets sucked up. The wealthiest 1 percent get all the benefits.

Mr. President, let me just conclude by saying our friends on the other side have got to come up with a budget. Then we are going to see the gap between rhetoric and reality.

I thank the Chair. I yield the floor.

Several Senators addressed the Chair.

THE PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, what is the pending business?

THE PRESIDING OFFICER. The Senator from Montana has 5 minutes in morning business.

Mr. BAUCUS. I thank the Chair.

THE POWER MARKETING ADMINISTRATIONS

Mr. BAUCUS. Mr. President, Webster's define a tax as a requirement to pay a percentage of income from property or value for support of the Government. So we can see that a tax can come in many forms—a direct levy, or a hidden fee that sneaks up on the taxpayers under a cover name. That is precisely what the Clinton administration and some here in Congress have in mind for many Montana and western ratepayers.

As you may be aware, the administration in their fiscal year 1996 budget proposes to sell off four Power Marketing Administrations: Alaska Power, Southeastern Power, Southwestern Power, and the Western Area Power Administration, otherwise known as WAPA which brings low-cost electricity to thousands of eastern Montana families, ranchers, farms, and small businesses. They have found enthusiastic allies in the new House leadership. And together they say they will privatize these electricity providers. They predict a windfall, a one-time profit of \$3.7 billion. If anyone promises you a free \$3.7 billion, we all know you had better think carefully. You had better look at it real close. There is no exception.

I submit that privatizing the Power Marketing Administrations is a bad idea. It is shortsighted, and it hurts. It does not help. It hurts rural America. Privatization cannot work when its re-

sult is to simply create four huge monopolies which will gouge their capital market like any other monopoly.

So at its core, the proposal to sell off PMA's is no more than back-door tax repeal. To sell off the PMA's is no more than a back-door tax increase on the middle class. A tax hidden in the utility bill is every bit as much a tax as a gas tax, an income tax, or anything else. This is a tax, a tax increase on rural America.

The chart, Mr. President, tells it a little bit; \$129 is the monthly bill of a typical residential customer in this area in Montana. This is from Marais. Marais residents will find their bill will increase 45 percent, which is \$190 a month, as opposed to \$129.72 every month.

What does that mean? That means that Montana, like much of the West, which is built on hydroelectric power, will find their economies declining. By harnessing the Missouri River, Fort Peck Reservoir has provided water to small industries which use the affordable power to create jobs and build communities, and folks in rural areas get affordable power to heat and light their homes, an essential service. It is something that works and has worked ever since Franklin Roosevelt came out to break ground at the Fort Peck Dam and bring public power to rural Montana.

Public power meant electricity an ordinary farm family could afford. It helped create Montana communities like Glasgow, Sidney, Shelby, and it keeps towns like these strong and healthy. As my friend Ethel Parker at Fort Shaw says,

I have lived on a farm all my life; started out south of Geyser in central Montana in a semiarid prairie farm. The REA came to us in the early 1940's. Low-cost electricity has made life livable for those of us who raise the food and fiber for all Americans. Now Congress would knock our pins out from under us.

There are 100,000 Montana families, one in three of all the men, women, and children in Montana, that depend on WAPA and share Mrs. Parker's feelings, and they stand to see their power bills increased by 25 cents on the average on the dollar if this proposal goes forward. You are talking about real tangible cuts in the living standards for towns like Fort Shaw and all over the country, and that is why I am a staunch supporter of WAPA and equally against the sale of the PMA's.

The second point is that WAPA and the other power marketing programs take not one tax dollar. In fact, the Federal Government actually makes money off of these programs. WAPA is an example. The Federal Government has invested a total of \$5.6 billion in WAPA, and each year the WAPA pays the Federal Government approximately \$380 million for this loan, with interest, that is starting to be paid back. And so far the Federal Treasury has gotten back \$4.1 billion on its initial loan. By the time this debt is retired in 24 years, the Federal Treasury

will have made \$14 billion on its initial investment of \$5.6 billion. Even now, the PMA's run a profit for the Government. A recently released CRS report on the PMA's found that the Federal Treasury actually earns a profit of \$244 million a year.

To repeat, Mr. President, a recently released CRS report on the PMA's found that the Federal Treasury actually earns a profit of \$244 million a year on the PMA's. It is a profit. It does not add to the deficit, Mr. President. It decreases the deficit. So you have to look hard and you have to look long to find a Federal program that provides a good service to the public and makes a profit. WAPA provides a service and it makes a profit.

I find it incredibly shortsighted that the administration would want to sell America's infrastructure for a quick, one-time shot at cash—joined, I might add, by the House leadership. They also want to sell WAPA. So what's next—our highways, our bridges, our national parks? The principle is the same. America's infrastructure up for sale. That is what they want.

It does not make any sense to me, and I do not intend to stand by and let it proceed without a fight. And I serve notice, Mr. President, I intend to do everything I can to see that this proposal is defeated. We will shut the door on this misguided backdoor tax.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

THE PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

SALE OF PMA'S

Mr. WELLSTONE. Mr. President, I shall be brief. I was one of the first Senators—and I am glad to be out here with colleagues on both sides of the aisle—to oppose the idea of selling the PMA's. I have spoken with the President. I have spoken with Alice Rivlin at OMB. I have spoken to relevant Budget Committee members and written letters to other Senators.

I basically see it this way. If you sell the PMA's, if the Government should sell the PMA's above current value, the only people who would want to buy them, some of the private investor-owned utility companies would want to buy them in order to raise rates. That is the only way they can make up the difference, in which case the ratepayers suffer. If you sell the PMA's at below current value, then this is a loss for the taxpayers. If you sell the PMA's at exactly the current value, insulating both the taxpayer and the ratepayer, then the only thing you are doing is privatizing for the sake of privatizing. So this proposal makes absolutely no sense.

Mr. President, I believe in the mission of the PMA's and the longstanding contract of the Western Power Administration with Minnesotans, and I think to sell these PMA's would be a serious mistake for greater Minnesota.

In western Minnesota, WAPA provides hydroelectric power at production costs to rural electric cooperatives, municipal utilities, hospitals, school districts, and Federal facilities. Without this program, the energy bill for people in greater Minnesota could rise as much as \$400 a year per customer—could rise as much as \$400 per year per customer.

In this time of budget cutting, it is important to point out that WAPA is not an example of wasteful Government spending. In fact, through WAPA we actually pay off a Government loan. And more importantly, WAPA is a Government program that recognizes the unique needs of rural communities that lack the access to affordable energy enjoyed by their metropolitan neighbors.

Rural Minnesota is willing to do its part as our country works to reduce the Federal deficit, including selling wasteful Government operations. But eliminating a program that does not cost money and actually contributes to the health of the rural economy is an example of cutting for cutting's sake. It makes neither economic sense nor common sense, and that is why, as a Senator from Minnesota, I put this battle at the very top of my list of priorities.

I yield the floor.

Mr. DORGAN and Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have been in the Chamber some while. It is my intention to speak for 5 minutes on the PMA matter and then claim the additional 3 minutes on the morning business that was reserved.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 8 minutes.

The Chair would advise the Senator from Illinois that she does have reserved time to speak for up to 10 minutes and prior to taking the additional 5 minutes, we would recognize the Senator from North Dakota for the remaining 3 minutes and then the Senator from Illinois.

Mr. DORGAN. Mr. President, I would ask if the allotted time for morning business then allows for the full complement of time reserved for the Senator from Illinois; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. I thank the Chair.

SALE OF THE PMA'S

Mr. DORGAN. Mr. President, I should like to add my voice to the thoughts expressed today by the Senator from South Dakota and the Senator from Montana and others on the matter of the sale of the Power Marketing Administrations, the PMA's.

This does not mean much to a lot of people because we hear the use of acronyms and titles of organizations with which most people are not familiar. But the power marketing administrations, along with WAPA, which is the

PMA that serves our region of the country, provide a very important mission and role for our region of the country and help provide, for a couple hundred thousand North Dakotans, reasonably low-cost power that has been a Federal promise to them for a long, long while.

We produce power through hydroelectric facilities that were built in conjunction with the construction of dams and reservoirs. Those projects have many purposes, including flood control and a range of other critical needs.

Part of the promise in the construction of those dams and the public works projects over time was the promise of being able to use the electricity from the hydropower generators and distribute it regionally at a reasonable cost. That has been of enormous benefit to rural consumers in my State, who, without this opportunity, would see their electric rates skyrocket.

The President has proposed selling the PMA's. The leaders of the House have proposed selling the PMA's. It does not make any sense, in my judgment, to do that. These are investments we have made. Payments have been made under these investments, on time and with interest. The PMA's are a \$21 billion investment. The customers of the electricity, the ratepayer in rural America, have repaid \$5.1 billion in principle and have paid \$8.8 billion in interest.

For those in Washington to force the sale of the PMA's would be kind of like a hostile takeover when somebody comes along and says, "Well, it is true, you made your payments. You bought this. Now we are going to sell it out from under you."

It is not the right thing to do. I do not know why the President included it in his budget recommendation. It was, in my judgment, foolish to have done so. It does not make good economic sense. I think it breaks a Federal promise, and I think it is actually moving in the wrong direction. I hope, on a bipartisan basis, that we will find a way here in the Senate to put the blocks against these wheels and say, "No more. You are not going to move this forward."

If someone happens to think that selling the PMA's is going to reduce the Federal budget deficit, they should understand that, according to our budget law, you cannot sell assets and claim that you have now reduced the budget deficit. It does not do that under our budget rules.

But, I hope that the Senator from South Dakota, Senator PRESSLER, Senator BAUCUS, Senator CONRAD, Senator WELLSTONE, myself, and so many others who care a great deal about this, will be able to work together in a bipartisan way with the President and the leadership in the U.S. House, to show that that is an idea whose time has never come and one that we must defeat this year.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator's time has expired.

The Senator from Illinois.

Mr. DORGAN. Mr. President, I ask for the remaining 3 minutes of my time under the order. When the Chair indicated that my time had expired, I assume the Chair was speaking of the 5 minutes under the PMA discussion.

The PRESIDING OFFICER. The Senator had 3 minutes remaining, and that time has expired.

Mr. DORGAN. When I sought the floor, I sought to use the 5 minutes under the PMA discussion that was under a previous unanimous-consent, after which I had 3 minutes remaining in morning business.

The PRESIDING OFFICER. There was time for a list of speakers. My understanding is that you have used up all of your time under that list.

Mr. DORGAN. Mr. President, there was how much time reserved for Senator BAUCUS and Senator PRESSLER to discuss PMA in morning business?

The PRESIDING OFFICER. Senator BAUCUS had no time, and spoke under the normal 5-minute limit under Senate rules in morning business. Senator PRESSLER had 30 minutes.

Mr. DORGAN. How much of that time was used?

The PRESIDING OFFICER. Senator PRESSLER had 20 minutes remaining.

Mr. DORGAN. My understanding is that is available in 3-minute increments for those of us who wish to speak about PMA's.

The PRESIDING OFFICER. The Parliamentarian advises me that there was no such order that allows that to be done under Senator PRESSLER's time.

Mr. DORGAN. I disagree with the Parliamentarian.

Let me ask unanimous consent that I be allowed to speak for 3 additional minutes as per the previous agreement in morning business.

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

THE BUDGET

Mr. DORGAN. In the remaining 3 minutes—and I appreciate the indulgence of the Senator from Illinois—I just want to discuss the issue raised by Senator CONRAD a few minutes ago.

We had, not very long ago, an urgency on the floor of the Senate to amend the U.S. Constitution to require a balanced budget, and the urgency was people moving around the floor here saying, "We must do this immediately. The country's future rests on it. It is critically important for the future of America. We must change the U.S. Constitution to require a balanced budget."

And, of course, almost everyone knew that if the Constitution were changed to require a balanced budget, not one penny's worth of difference in the Federal deficit would have occurred, because you cannot reduce the