

other components. Clearly, they have changed over the years. It just seems to me that to say we can move home health care out of part A because at one time it was structured differently does not reach the most important element here, which is, by doing this, we are changing dramatically the expectations of part A Medicare recipients.

Those people believe that home health care is, in fact, part of that trust program. It is, in fact, not subject to the availability of funds or the need to either increase taxes or find other spending cuts to justify payments for it. And that is why we feel the President's budget does not really meet the challenge for us.

I would like to say a couple of other things with respect to the specifics of the amendment before us. According to the Congressional Budget Office, the President's Medicare proposal would not maintain solvency of the part A Medicare trust fund for the full 10 years that we want. In fact, the projection is that it would be insolvent by the year 2005. Now, I would like to bring to the attention of the Senate the fact that, in the President's budget, the reductions in the growth—I will give the President the benefit of the doubt and not call it a cut. By reducing the growth by \$116 billion, the President's budget maintains solvency not for 10 years but for 9 years. If, in fact, the \$50 billion that is proposed in this amendment were used to increase the rate of growth of the Medicare Program, as proposed in our budget, then the actual total net change under our budget would only be \$108 billion over the period of time our budget covers, through 2002. In other words, it would be less savings than in the President's budget. So, in other words, if this amendment were to pass, Mr. President, then we would be, in fact, not ensuring the solvency of part A of the trust fund as long as the President even does, and we believe on this side that the President's proposal to maintain solvency through 2005 is not adequate.

So I think it is important for our colleagues to understand that, in supporting this, they are in fact supporting an amendment that would bring about the insolvency even earlier than that which would be the case under the President's budget, and certainly which would be the case under our budget.

I also wanted to clear up one other point, Mr. President. In the tax cut provisions in the budget we are offering, the total amount of \$122 billion, I believe, is targeted—it does not, in fact, even cover fully the \$500-per-child tax credit. So there, in fact, would not be enough money to fund the other tax cuts beyond the \$500 tax credit in the budget which we have.

To summarize, we have several facts that I think need to be revisited. First, the Medicare trust fund is going broke. At the current rate of growth in spending, at the current rate of projection

from the Congressional Budget Office, it will go broke in 2001. We cannot let that happen, Mr. President.

Second, I think we want to make sure that its solvency is not maintained for a short duration of time—3, 4, 5, 6 years—but we want it to be solvent for 10 years. The President's budget would not accomplish that. If this amendment passes, our budget would not accomplish that either.

Finally, we on the majority side do not want to eliminate the home health care protections under the part A trust fund. The President's budget would do that and, obviously, there is a sharp difference there.

So, in short, Mr. President, we are prepared and desire to fix and repair the trust fund and maintain solvency for a decade. We think that is the least we can do to address this problem at this time. In our judgment, at least, anything short of that does not meet the mark, does not provide our seniors with the protections they need, does not provide the trust fund with the protection it needs.

We want to give families a chance to keep more of what they earn. That is why we have the money in this budget for a tax cut. But it is not connected to the Medicare issue at all. Once again, to portray it that way is simply inaccurate. We have the Medicare part A trust fund headed toward bankruptcy. For the first time, in 1995, it was actually spending more than it was taking in. The time has come to repair it for a sufficient period of time, and to allow us to focus on a broader and even longer term fix, which is clearly needed.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, in keeping with what we have done several times today, I ask unanimous consent at this time that the Senator from Georgia be recognized for appropriate remarks on the tragedy that faced all of us today, especially the U.S. Navy.

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

The Senator from Georgia [Mr. NUNN], is recognized.

TRIBUTE TO ADMIRAL BOORDA

Mr. NUNN. I thank my friend from Nebraska. I join my colleagues in being both shocked and deeply saddened by the sudden death of Adm. Mike Boorda, Chief of Naval Operations. Admiral Boorda had a truly remarkable career in the Navy. Many people do not recognize it and do not realize it, but Mike Boorda rose from the lowest enlisted rank to become the most senior officer in the Navy. He never forgot where he came from. The welfare of the men and women of the Navy were always foremost in his thoughts and in his actions. He never let us forget that when he testified before the committee. The men

and women of the Navy were first for him. He was always looking for additional ways to help the Navy families and, particularly, the people who served in the Navy and those who are directly affected by that service.

Admiral Boorda was well-known to Members of the Senate, and to the Armed Services Committee, for his devotion to the Navy and the ideals of military service. He was always available and helpful. Never have I asked a single question when he was not responsive immediately, if the information were available. I had the opportunity to work closely with Mike Boorda over the years on a wide variety of projects and programs, particularly during his service as Chief of Naval Personnel, as commander of Joint Task Force Provide Promise, which was responsible for the mission throughout the Balkans, and as Chief of Naval Operations. Many of us have been briefed by Admiral Boorda when he was head of that task force in a very tough period during the Balkans problems. I visited him overseas when he was planning the Bosnia operations, and I relied on his wise counsel many times.

Mr. President, I could go on and on about Mike Boorda. I will summarize it by saying that he was a superb military commander and a true friend. Admiral Boorda was an inspiring leader and a man of vision. I extend my deepest sympathies to his wife, Bettie, to his children, David, Edward, Anna and Robert, and to his many friends and admirers in the Navy and throughout this great country.

I thank the Chair and my colleagues.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. EXON. Mr. President, we have had a good debate. I believe that both the Senator from Michigan and the Senator from West Virginia are prepared to yield back the remainder of the time, and that would allow us to continue to go back to the Republican side for the next amendment. I believe that amendment will be offered by the Senator from Michigan.

As I understand it, it is on the same subject that we have discussed quite thoroughly. Maybe we can cut back on the use of some of this time. I would simply like to emphasize that while it may generally not be understood in the Senate, it is not a disgrace to not use the whole hour on each side on all of these amendments. It is perfectly acceptable and it is certainly respectable to yield back time so that we can move ahead on amendments.

Depending on what happens, as you know, we temporarily set aside, in agreement with the chairman of the committee, so that we could move ahead. We are not going to have any votes before 8 o'clock. I would simply suggest that if the two managers of the

measure before us are ready to yield back this time and set the amendment offered by the Senator from West Virginia up for a vote when agreed to by the managers of the bill, then we could move to the amendment of the Senator from Michigan and start debating that.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield back time?

Mr. ABRAHAM. Mr. President, the majority is prepared to yield the remainder of its time on the amendment of the Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I want to say one sentence and then yield the remainder of my time.

The Senate GOP resolution and the Clinton budget both achieve the same short-term solvency. Dr. June O'Neill has certified that the Hospital trust fund will be solvent until the year 2005 under the President's plan.

I yield back the balance of my time.

Mr. EXON. Mr. President, now that all time has been yielded, I ask unanimous consent to lay aside temporarily the ROCKEFELLER amendment and proceed with the next amendment that I understand under the agreement would be the one to be offered by the Senator from Michigan.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 3980

Mr. ABRAHAM. Mr. President, at this time I would like to offer an amendment for myself and Senator DOMENICI.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. ABRAHAM), for himself and Mr. DOMENICI, proposes an amendment numbered 3980.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the Appropriate Place in the Bill insert the following:

SEC. SENSE OF THE CONGRESS REGARDING CHANGES IN THE MEDICARE PROGRAM.

(a) FINDINGS.—Congress finds that, in achieving the spending levels specified in this resolution—

(1) the public Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(2) the President has said his goal is to keep the medicare hospital insurance trust fund solvent for more than a decade, but his budget transfers \$55 billion of home health spending from medicare part A to medicare part B;

(3) the transfer of home health spending threatens the delivery of home health services to 3.5 million Medicare beneficiaries;

(4) such a transfer increases the burden on general revenues, including income taxes paid by working Americans, by \$55 billion;

(5) such a transfer artificially inflates the solvency of the medicare hospital insurance trust fund, misleading the Congress, medicare beneficiaries, and working taxpayers;

(6) the Director of the Congressional Budget Office has certified that, without such a

transfer, the President's budget extends the solvency of the hospital insurance trust fund for only one additional year; and

(7) without misleading transfers, the President's budget therefore fails to achieve his own stated goal for the medicare hospital insurance trust fund.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, in achieving the spending levels specified in this resolution, the Congress assumes that the Congress would—

(1) keep the medicare hospital insurance trust fund solvent for more than a decade, as recommended by the President; and

(2) accept the President's proposed level of medicare part B savings of \$44.1 billion over the period 1997 through 2002; but would

(3) reject the President's proposal to transfer home health spending from one part of medicare to another, which threatens the delivery of home health care services to 3.5 million Medicare beneficiaries, artificially inflates the solvency of the medicare hospital insurance trust fund, and increases the burden on general revenues, including income taxes paid by working Americans, by \$55 billion.

Mr. ABRAHAM. Mr. President, the amendment that I have sent to the desk is a sense-of-the-Senate amendment regarding changes in the Medicare Program. It is certainly in keeping with the sentiments which have been expressed by both the Senator from Michigan as well as the current Presiding Officer when he was here on the floor a few minutes ago.

Just to go through the salient points of the amendment, the amendment, in achieving the spending levels specified in this resolution, says that the public trustees of Medicare have concluded that the Medicare Program is currently unsustainable in its present form;

Two, the President said that it is his goal to keep the Medicare hospital trust fund solvent for more than a decade, but his budget transfers \$55 billion of home health care spending from part A to part B Medicare;

Three, that the transfer of home health spending threatens the delivery of home health care services to some 3.5 million Medicare beneficiaries;

Four, that such a transfer increases the burden on general revenues and income taxes paid by working Americans by \$55 billion;

Five, that such a transfer artificially inflates the solvency of the Medicare hospital insurance trust fund, misleading the Congress, Medicare beneficiaries, and working taxpayers;

Six, that the Director of the Congressional Budget Office has certified that without such a transfer, the President's budget extends the solvency of the hospital insurance trust fund for only 1 additional year;

And, seven, that without transfers, the President's budget, therefore, fails to achieve his own stated goal for the Medicare hospital insurance trust fund.

Therefore, it is our amendment's sense of the Congress that in achieving the spending levels specified in this resolution, the Congress assumes that the Congress would keep the Medicare hospital trust fund solvent for more than a decade as recommended by the

President and accept the President's proposed level of Medicare part B savings of \$44.1 billion over the period 1997 through 2002 but would reject the President's proposal to transfer home health spending from one part of Medicare to the another, a transfer which would threaten the delivery of home health care services to 3.5 million Medicare beneficiaries.

Mr. President, this sense-of-the-Senate amendment incorporates much of what I have been talking about here tonight and much of what we discussed during our deliberations in the Budget Committee. It is our goal on the majority side to try to achieve the two objectives that have been set forth by the President, at least his stated objectives: One, to make sure with the part A transfer of funds that Medicare remains solvent for a decade; and, two, achieve savings of approximately \$44 billion in the part B portion of Medicare.

We just do not think that is the way to do this or that it is an appropriate way to accomplish this objective by transferring vital services that have been covered by the trust fund into the part B portion of Medicare, the area that is not covered by the trust fund. We believe it is essential that the Congress be on record clearly as stating that.

So, for those reasons, we offer this sense-of-the-Congress amendment here tonight. We hope that our colleagues will support it. We feel, as I have been talking for the last hour, and others, the Presiding Officer as well, that we are headed, with respect to the part A trust fund, in a direction of insolvency far sooner than anticipated, that, in fact, with the trust fund now operating at a deficit for the first time in history, we are waiting for the new projections, but the day of reckoning is much closer at hand.

We do not think it is appropriate to stand by while the trust fund moves quickly toward insolvency. We recognize the need to act now, and act decisively. It is not inappropriate to act decisively by restraining the growth in the ways we are recommending. We are doing what is necessary to protect the fund from going bankrupt and making sure that protection extends for a decade.

Similarly, we accept the President's proposal to try to reduce the part B expenses in the growth of Medicare by \$44 billion under this budget. We think that is the most appropriate way to address the Medicare problems at this time. We would strongly urge our colleagues to reject the previous amendment at the proper time, when we come to vote, and to instead support our sense-of-the-Congress resolution which embodies much of what is in our budget as presented to the Senate here this evening.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, in responding, first of all, I say to my friend from Michigan, this is a resolution of the Congress as opposed to hard law. This is, I think, something by which the Senator is trying to express his views.

Just a few moments ago I went through the policy aspects of why this had all happened. As the Senator from Michigan indicated, before 1980 it was divided between part A and part B, and then I described the conditions at that time. I described what the Congress did after that to improve Medicare's home health care benefit—remove the 100-day limit and the 3-day hospitalization requirement, and, as a result, financing of all home health care services were shipped into part A. Then I said, even though part A was never intended to pay for long-term home health care benefits, and then I went on to say that the President's proposal restores the financing of the home health care benefit back to the Congress' original intent.

So much for the policy. I think, frankly, that it is all right to talk about the politics of this issue.

Mr. President, we did not hear anything about this issue last year. I guess that is because back then the Republicans were proposing it. In fact, every single House Republican who voted for last year's Republican budget voted in favor of a very similar transfer of funding for home health care. I am talking about the politics because I am trying to question the underlying meaning of this resolution.

So the Republicans now say that the home health care financing shift is a shell game. But they have played the game themselves. I have been talking about the House. The Senate Republicans also voted in favor of shifting money between part B and part A to improve the solvency of the hospital trust fund.

In fact, during markup in the Finance Committee, Senator NICKLES offered an amendment which the Republicans adopted that deposited part B money into part A trust funds to improve the solvency of the part A trust fund. The only policy behind Senator NICKLES' proposal was to provide political cover, if I may say so, in that they were trying to hide that they were using Medicare money to pay for tax cuts for the wealthy, but the public, as I indicated, saw through that aspect of it.

Mr. President, last year, the Republicans said that they wanted the President to submit a budget that was certified by the CBO as being in balance after 7 years. The President has done that. In addition, Dr. June O'Neill, as I said a moment ago, has certified that the President's plan extends solvency of the trust fund to the year 2005. So there is no difference. It achieves the same level of solvency but without the drastic hospital cuts that the Republicans are proposing.

I believe the President's policy has merit. So did the Republicans last

year. I urge my colleagues to vote against this resolution.

I thank the Chair and yield the floor. The PRESIDING OFFICER (Mr. GRAMS). Who yields time?

Mr. EXON addressed the Chair. The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as may be necessary. I wish to make a few comments about the situation here at hand.

I want to take people to Nebraska, which is a very typical State in the Midwest part of our great country. It is very typical from the standpoint of being a substantial rural State with lots of rural, small communities and is also typical of the Great Plains States and some of the other States of the Union.

Mr. President, I rise in support of the amendment of my colleague from West Virginia. I am a cosponsor of that amendment. The Medicare reductions in this budget are too large and are not required to balance the budget and extend the life of the Medicare hospital insurance trust fund through at least the year 2005. I am particularly concerned about the deep and disproportionate cuts that will be borne by hospitals, particularly rural hospitals. The Senate Budget Committee said its \$170 billion in reductions and spending growth would include a \$123 billion reduction in Medicare part A. This will threaten the quality and the financial viability of hospitals, particularly the rural and inner-city hospitals. Previous Republican budgets slowed the rate of growth in hospital payments, but under this year's plan the Congress may need to adopt policies that would actually reduce payments, not simply reduce the rate of increase in these payments. Under any definition, that represents a true cut in spending. So we will not have to get into all that argument that we continually get into about what is a cut.

What I am talking about is it appears to me from some of the other information that I will furnish the Senate during these remarks that what we are threatened with is a real cut. That means less dollars, less dollars and cents than last year, and by any definition that is a cut.

I recently received a letter from Harlan Heald that I will read. Harlan Heald is an acquaintance of many, many years way back to the time when I was Governor of Nebraska, and if there is a Mr. Rural Hospital in Nebraska, it is Mr. Heald. Mr. Heald is President of the Nebraska Association of Hospital and Health Systems. They are not a political organization. They are an organization that devotes time, talent and effort to represent the people who provide hospital services in rural Nebraska primarily.

According to Mr. Heald's analysis, a reduction of \$50 billion would have a devastating impact on Nebraska hospitals. Mr. Heald writes, and I quote:

Sixty-five rural hospitals would lose \$69.1 million over 7 years and 12 large rural hos-

pitals would lose \$100 million. Thirty out of Nebraska's 65 small rural hospitals would lose money in providing care.

Mr. President, I will ask unanimous consent that the full text of Mr. Heald's letter be placed in the RECORD at the conclusion of my remarks, after I read that letter, because there are so many interesting factual and true statements in it, not from a political standpoint but from what the Republican effort and the Republican bill will do to rural Nebraska. If it is going to do something to rural Nebraska, it is going to do it to rural North Dakota and rural South Dakota and rural Kansas, and rural Oklahoma, and every rural State in the United States of America.

These are the consequences of the \$50 billion reduction over 7 years. What would be the impact then of a \$123 billion reduction over 6 years that we are now faced with? A loss of this magnitude in a State where Medicare patients account for 60 to 70 percent of hospital admissions clearly threatens the health care system on which all of us depend. Several hospitals in my State are teetering on the brink of insolvency while we are here talking about the bankruptcy of Medicare.

This latest Republican proposal will very likely drive them over the edge.

Mr. President, I wish to read from the letter that I have just referenced. This letter is dated May 14, 1996, addressed to me.

DEAR SENATOR EXON: I have reviewed a summary of the current fiscal year 1997 House and Senate Budget Committee proposal with respect to the Medicare Program. On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a very serious potential problem.

While it appears that the overall Medicare budget reductions of \$158 billion are roughly the same as those in the last Republican proposal in January, the budget committees have significantly altered the allocation of reductions within the program, reducing part A spending by \$123 billion versus the \$77.5 billion proposed in January.

We have been told on numerous occasions that the reductions are not cuts—

This is not in the letter. I just want to add here, how many times have we heard that here? Back to the letter.

but are reductions in the rate of spending over a 6-year period. The current budget resolution includes lower budget reductions in part B of Medicare, while the reductions in part A have been significantly increased since the January proposal. The larger Medicare Part A reductions in the current proposal means hospitals will experience actual reductions in payments—not merely a reduction in the rate of payment increase.

We are talking about real cuts here. I am away from the letter. We are talking about real cuts here, when every time we talk about cuts, people stand up and say, Oh, only in Washington, DC, is an increase a cut. I have always said we must legislate to real needs, what the costs are going to be.

Another editorial comment before I go on with reading this letter from an expert on the subject in Nebraska, and that, Mr. President, is simply this: I

am convinced that the reductions in the amount for real needs that the Republicans have been espousing are below the projected costs and rises in health care over the next 6 years.

Putting that another way, what I am saying is that the Republicans have been saying, "Oh, well, this is not a cut, this is just a slowing down of the growth." Time and time again that has been used on the floor of the U.S. Senate. Mr. Heald brings us back to reality by saying what I indicated when I first started talking on this subject, that these cuts are not simply a reduction in the growth. They are cuts, dollars and cents, below what hospitals have received before. Back to the letter:

Although I have not received enough detail to permit me to make an analysis of the impact of the proposed reduction in Medicaid Part A spending, I do have information from an earlier proposal last fall that looked at Part A reductions of about \$50 billion out of the total reductions over a seven-year period. Although it is a "crude" approximation, the impact on Nebraska hospitals looks like this:

Sixty-five small rural hospitals would lose an aggregate of \$69.1 million during the seven-year period of 1996 to 2002. Twelve large rural hospitals would lose a total of \$100.4 million, and 11 metropolitan (Lincoln and Omaha) hospitals would lose \$337.4 million, during the seven-year period. Note—In 1994, 30 hospitals out of Nebraska's 65 small rural hospitals lost money providing care.

Let me repeat that:

In 1994, 30 hospitals out of Nebraska's 65 small rural hospitals lost money providing care.

Again, this is based on a Part A reduction of about \$50 billion over a 7-year period. I hate to think what these numbers might resemble under the current proposal with Medicare Part A targeted for a \$123 billion hit.

Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska hospitals look to your leadership.

Mr. President, I also would like to read a letter from the following groups: The American Association of Eye and Ear Hospitals, the American Hospital Association, the American Osteopathic Healthcare Association, the Association of American Medical Colleges, Catholic Health Association, Federation of American Health Systems, InterHealth, National Association of Children's Hospitals, National Association of Public Hospitals and Health Systems, and Premier. This letter is dated May 10, and it is addressed by those organizations I just read, to the Honorable WILLIAM ROTH, chairman, Committee on Finance.

DEAR CHAIRMAN ROTH: The undersigned organizations representing hospitals and health care systems have reviewed the Fiscal Year 1997 House and Senate Budget Commit-

tee proposal, particularly with respect to Medicare and Medicaid programs.

While it appears that the overall Medicare budget reductions of \$167 billion are roughly the same as those in the Republican offer in January, the Budget Committees have significantly changed the allocation of reductions within the program.

The letter goes on and essentially makes the same exact points made by the letter that I read, by Harlan Heald.

So the professionals know what is going on. We know what is going on here. I must continue to make the point that Nebraska is not unique in this. But if you have a hospital, because of the aging population in rural areas of America in toto, where 60 to 70 percent, and some places higher, have their beds dedicated to people who are eligible and receive Medicare, and for many of them that is the only health care system available to them, and you compare that with a hospital, for example in Lincoln or Omaha or other more metropolitan areas that have their patients coming in only about 20 to 25 percent seniors, you quickly understand that what we are doing here is socking it right between the eyes of the rural hospitals in the United States of America.

Mr. President, I ask unanimous consent both of the letters I have referenced be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEBRASKA ASSOCIATION OF
HOSPITALS AND HEALTH SYSTEMS,
May 14, 1996.

Hon. J. JAMES EXON,
U.S. Senate,
Washington, DC.

DEAR SENATOR EXON: I have reviewed a summary of the current Fiscal Year 1997 (FY '97) House and Senate Budget Committee proposal with respect to the Medicare program. On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

While it appears that the overall Medicare budget reductions of \$158 billion are roughly the same as those in the last Republican proposal in January, the Budget Committees have significantly altered the allocation of reductions within the program, reducing Medicare Part A spending by \$123 billion vs. \$77.5 billion proposed in January.

We have been told on numerous occasions that the reductions are not cuts, but are reductions in the rate of spending over the six-year period. The current budget resolution includes lower budget reductions in Part B of Medicare, while the reductions in Part A have been significantly increased since the January proposal. The larger Medicare Part A reductions in the current proposal mean hospitals will experience actual reductions in payments—not merely a reduction in the rate of payment increase.

Although I have not received enough detail to permit me to make an analysis of the impact of the proposed reduction in Medicare Part A spending, I do have information from an earlier proposal last fall that looked at Part A reductions of about \$50 billion out of total reductions over a seven-year period. Although it is a "crude" approximation, the impact on Nebraska hospitals looked like this:

"Sixty-five small rural hospitals would lose an aggregate of \$69.1 million during the

seven-year period of 1996 to 2002. Twelve large rural hospitals would lose a total of \$100.4 million, and 11 metropolitan (Lincoln and Omaha) hospitals would lose \$337.4 million during the seven-year period. Note—In 1994, 30 hospitals out of Nebraska's 65 small rural hospitals lost money providing care."

Again, this is based upon a Part A reduction of about \$50 billion over a seven-year period. I hate to think what these numbers might resemble under the current proposal with Medicare Part A targeted for a \$123 billion hit.

Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska's hospitals look to your leadership.

Sincerely,

HARLAN M. HEALD,
President.

MAY 10, 1996.

Hon. WILLIAM ROTH, Jr.,
Chairman, Committee on Finance,
Washington, DC.

DEAR CHAIRMAN ROTH: The undersigned organizations representing hospitals and health systems have reviewed the Fiscal Year 1997 (FY 97) House and Senate Budget Committee proposal, particularly with respect to the Medicare and Medicaid programs.

While it appears that the overall Medicare budget reductions of \$167 billion are roughly the same as those in the last Republican offer in January, the Budget Committees have significantly changed the allocation of reductions within the program. While it is difficult to assess the overall impact of the budget resolution in the absence of greater detail, now larger Medicare Part A reductions mean hospitals are likely to experience actual reductions in payment rates under the committees' proposal.

The budget resolution now includes lower budget reductions in Part B of Medicare, while the reductions in Part A have increased by approximately \$25 billion since the January offer. While the FY 97 budget resolution offers a milder overall approach to deficit reduction compared to last year's resolution, its impact on hospitals appears worse. To achieve reductions of this magnitude, Congress may need to adopt policies resulting in payment rates per beneficiary that would be frozen or actually reduced.

We also have serious concerns about the Budget Committees' Medicaid reductions. We would like to take this opportunity to reiterate our support for maintaining the entitlement nature of the Medicaid program to ensure that those who have coverage today will continue to have coverage tomorrow. Furthermore, we support maintaining current law provider assessment restrictions and Boren amendment payment safeguards. While the overall reductions are somewhat lower than the January offer, if combined with corresponding state reductions through lower state matching requirements or new provider assessments, these reductions could be quite significant for providers.

Hospitals and health systems support the need to adopt a reasonable deficit reduction package, and believe that changes in Medicare are needed to keep the Part A trust fund solvent. Many of us have supported various proposals that achieve a balanced budget with reductions in Medicare and Medicaid.

However, we are gravely concerned about the level of reductions proposed by the Budget Committees in these programs.

We strongly urge you to reconsider both the overall level of Medicare and Medicaid reductions included in the budget resolution and, in your capacity as chairman of the authorizing committee, adjust the allocation between Parts A and B proposed by the Budget Committees.

American Association of Eye and Ear Hospitals, American Hospital Association, American Osteopathic Healthcare Association, Association of American Medical Colleges, Catholic Health Association, Federation of American Health Systems, InterHealth, National Association of Children's Hospitals, National Association of Public Hospitals and Health Systems, Premier.

Mr. EXON. Mr. President, I understand at this time we are trying to reach a unanimous consent agreement to have a vote at 8:30. Is that the Senator's understanding?

Mr. ABRAHAM. Yes.

Mr. EXON. Go ahead.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that a vote occur on or in relation to the Rockefeller amendment, to be followed by a vote on or in relation to the Abraham amendment, beginning at 8:30 p.m. this evening, with the first vote being the standard 15-minute vote, the following vote being limited to 10 minutes in length.

Mrs. BOXER. Reserving the right to object, I do not want to object because the Senator knows I have been waiting for quite a while. I would like to ask if we could have debate on the Boxer Medicaid amendment immediately following the vote, so we can get that done. There are Senators who wish to speak to it. I will be glad to agree to a reasonable time agreement.

But it is very important to this Senator because this is the time I can debate. I want to make sure I can get it done tonight.

Mr. EXON. Let me respond to the Senator from my perspective, and I cannot speak for the majority. We are now considering the Abraham amendment. We will vote on that. If this unanimous consent request is agreed to—and if I agree to it, I must say—immediately following that, we would be up for consideration of an amendment from the Democratic side. I have indicated to my friend from California that she would be first up with her amendment.

So I will simply say, after the vote, you would, as far as I am concerned, be recognized to offer your amendment. If it is possible—obviously it is not between now and the scheduled vote at 8:30—I would certainly recommend to Chairman DOMENICI that we proceed with the order which would allow you to follow the vote.

Mrs. BOXER. I am sure that then there would be a Democratic amendment; is that part of the agreement, immediately following the vote on the Abraham amendment?

Mr. ABRAHAM. We have not agreed to that at this point. Let me just state

for the benefit of all our colleagues, it is also my understanding there is an interest on both sides to proceed at some point to a vote on the President's budget tonight. I think, as I understand, the Senator from California would like to have debate on her amendment tonight, not necessarily a final vote tonight.

So I think we can work out something else: A vote on the President's budget can take place in a way that would allow those Members who have other obligations to fulfill them this evening and still accommodate your desire to have the debate, for the next amendment to be yours. But I do not think we have worked those two parts out. I think on your side there is an interest in making both of those things happen. I guess we just have not proceeded to the point of having that agreement worked out. This is as far as we were able to, basically, negotiate.

Mrs. BOXER. If my friend will yield, I am reassured by the conversation of the two managers. I feel comfortable that sometime this evening—and I am willing to stay here as late as necessary—I will have an opportunity to do that. With that verbal assurance, I withdraw my objection.

Mr. EXON. I say to my friend from California, there has been one or two attempts previously to include what would follow in a unanimous consent agreement. We have shied away from that and not made that kind of commitment at all. I suspect we will not be able to at this time.

I simply say that I think there is every likelihood that we may, if we can break the logjam, get a vote on the President's budget that this Senator has been trying to accomplish since 11 o'clock this morning. That may happen before the debate on your amendment, but I think there is every likelihood that you will have an opportunity to offer your amendment and engage in a debate, whether that is at 10 o'clock or 1 a.m. tomorrow morning, sometime in that general timeframe.

Mrs. BOXER. I am gratefully reassured. I thank the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President. I would like to get an indication of how much time has been used on each side.

The PRESIDING OFFICER. The Senator from Nebraska has used about 39½ minutes. That is how much time is remaining in the debate.

Mr. ABRAHAM. Approximately 20 minutes.

The PRESIDING OFFICER. He has used approximately 20 minutes, and the Senator from Michigan has used approximately 10 minutes.

Mr. ABRAHAM. I am wondering in light of that—we have Senator FRIST who has been hoping to have a chance to speak to this. There are only about 5 minutes left. Can we agree to let him finish the debate to the point that the

vote has been agreed to? With that, I yield to the Senator from Tennessee until the vote is at hand.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for approximately 6 minutes.

Mr. FRIST. Thank you, Mr. President.

Mr. President, I rise in support of the sense-of-the-Congress amendment of the distinguished Senator from Michigan. Just to bring it back, because we have been traveling a great deal over the last hour, that particular amendment says that the Congress assumes that Congress would keep the Medicare hospital insurance trust fund solvent for more than a decade, as recommended by the President; No. 2, accepts the President's proposed level of Medicare part B savings; and No. 3 and most important, what I would like to speak to is reject the President's proposal to transfer home health spending from one part of Medicare to another which threatens the delivery of home health care services to 3.5 million Medicare beneficiaries.

Mr. President, it was exactly 13, almost 14, months ago that we all received the status of the Social Security and Medicare Programs which was compiled and written by six trustees, three of whom were from President Clinton's Cabinet. In that, they use very simple words. And, again, this is 14 months ago. We are waiting for the April edition—it is a month, a month and a half late now—of this so-called Medicare trustees' report.

The very first page says:

The Federal Hospital Insurance Trust Fund, which pays inpatient hospital expenses—

Which I should add is part A—will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range.

Mr. President, it continues to say that:

The trustees believe prompt, effective and decisive action is necessary.

Last year, we took that action. We passed in this body a proposal that would save and preserve Medicare. It was sent to the President of the United States and it was vetoed.

The Medicare trustees' report basically said this. This is 1995 and the year 2000. This is bankruptcy on this line. This is the Medicare part A trust fund. Last year, the report said we would be going bankrupt in 7 years, the blue line.

What we have found happen over the last 14 months is that things are much worse than we had even anticipated at the time. Without doing anything over the last year and a half, in large part because of scare tactics put on television to scare our senior citizens away from change which will preserve this program, we now find that Medicare is going to be going bankrupt almost a year and a half earlier unless we act. It is 1996. We have about 5 years before Medicare goes bankrupt.

That is part A. Medicare part A is hospitals, part B physicians. Part A is

going bankrupt much quicker than we ever anticipated. The President's answer to that is,

Let's take the fastest growing part, the home health care out of part A and transfer it elsewhere and then we can say part A is solvent long term and we'll feel good about that.

That is more gimmickry. That is more smoke and mirrors. It is really deceptive to the American people. We need to make part A truly solvent. To make it truly solvent, we need to address the real problem. This is the amount of deficit spending. We began deficit spending last year. The trustee report said it would be next year. It actually began last year.

A report from the monthly Treasury statement, the highlight of fiscal year 1996 through March 31, tells that for the first 6 months of this year, we are running a \$4 billion deficit. We are on our way to bankruptcy.

Mr. President, the problem that we have today in this transfer of home health care is this: If we transfer this \$55 billion of assets out of the part A trust fund and put it elsewhere, yes, we can say part A is solvent for 10 years, but the overall Medicare Program is not, and unless the overall Medicare Program is solvent, we cannot deliver care to those 37 million Americans out there. More smoke and mirrors. Let us say we do not transfer that \$55 billion of home health care out, then what happens to the solvency of the trust fund? You can see that it is going to go bankrupt between the year 2000 and the year 2001. Therefore, we must act and we must act decisively.

How do we respond? In the balanced budget resolution proposal which is before us, we can see that we have solvency out to the year 2006. This is 1996, 2006, this line is solvency. Current law, if we do nothing, we are bankrupt in the year 2001.

Under the President's proposal, we extend that 1 year—only 1 year. That will scare seniors once they know that. We need to look at that balanced budget proposal, look what we do by opening it up, allowing some competition, slowing the growth from 10 percent down to 6 percent, and that is not a cut. We are slowing the growth from 10 to 6.1 percent. We are going to increase spending from \$4,800 in 1995 to \$7,000 a year in the year 2002. That is not a cut.

Mr. President, by supporting this sense-of-the-Senate amendment, we do

reject the President's proposal to transfer home health spending. Why? Because it is more gimmickry, it does not assure long-term solvency of the Medicare trust funds. I urge all my colleagues to vote to support this amendment.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3979

Mr. ABRAHAM. Mr. President, in accordance with the earlier unanimous consent agreement, at this time I move to table the Rockefeller amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on the motion to lay on the table the Rockefeller amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—55

Abraham	Coverdell	Grassley
Ashcroft	Craig	Gregg
Bennett	D'Amato	Hatch
Bond	DeWine	Hatfield
Brown	Dole	Heflin
Burns	Domenici	Helms
Campbell	Faircloth	Hutchison
Chafee	Frist	Inhofe
Coats	Gorton	Jeffords
Cochran	Gramm	Kempthorne
Cohen	Grans	Kerrey

CHAIRMAN'S MARK BUDGET AGGREGATES

[Dollars in billions]

	1996	1997	1998	1999	2000	2001	2002	6-year total
Discretionary:								
Defense	265	265	263	266	269	268	268	1599
Nondefense	271	271	264	260	256	250	249	1551
Subtotal discretionary	536	536	527	526	526	518	516	3150
Mandatory:								
Social Security	348	365	383	402	422	444	467	2484
Medicare	196	209	224	236	249	263	279	1459
Medicaid	96	105	111	117	126	133	139	731
Welfare programs	85	89	89	102	100	98	106	583
EITC (outlays)	16	18	18	19	20	20	21	116
Other mandatory	57	62	82	71	83	84	82	464
Net interest	240	242	244	243	240	238	236	1444
Total outlays	1575	1626	1678	1717	1764	1798	1846	10430

Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles

Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snow

Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon

Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin

Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—2

Kassebaum Pryor

The motion to lay on the table the amendment (No. 3979) was agreed to.

Mr. ABRAHAM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER. Mr. President, in the vote to table the Rockefeller amendment, I supported the budget resolution, which is moderate and maintains the solvency of Medicare.

Contrary to the argument that there are Medicare cuts, the fact is that Medicare expenditures increase by an average of 6.1 percent annually with the following total expenditures each year: 1996, \$196 billion; 1997, \$209 billion; 1998, \$224 billion; 1999, \$236 billion; 2000, \$249 billion; 2001, \$263 billion; 2002, \$279 billion.

On the 1996 budget resolution, I voted to increase Medicare expenditures when the rate of increase was reduced by \$268 billion and there was a tax cut of \$245 billion. In this budget resolution, the tax cut is limited to \$122 billion to cover a child tax credit.

I ask unanimous consent that the table on the "Chairman's Mark Budget Aggregates" be printed in the RECORD together with the "Medicare Fact Sheet."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAIRMAN'S MARK BUDGET AGGREGATES—Continued

[Dollars in billions]

	1996	1997	1998	1999	2000	2001	2002	6-year total
Revenues	1431	1471	1532	1600	1675	1755	1846	9879
Resulting deficit/surplus	-147	-155	-146	-117	-89	-43	0	

Note: Details may not add to totals due to rounding. All totals shown on a unified budget basis.
Prepared by SBC Majority Staff, 08-May-96

MEDICARE FACT SHEET

THE COMMITTEE-PASSED RESOLUTION

Total medicare spending, 1997-2002: \$1.459 trillion.

This is \$60 billion more government spending than was in the BBA, and \$103 billion more than in last year's budget resolution.

Total savings, relative to new CBO baseline: \$158 billion.

Part A: Meets the President's test of keeping the part A trust fund solvent for a decade without gimmicks, which requires \$123 billion of savings (CBO).

Part B: Assumes part B savings equal to the President's part B savings (\$44 billion).

Graduate Medical Education: Assumes \$10 billion of spending.

Total spending growth from 1996 to 2002: 43 percent.

Average growth rate from 1996 to 2002: 6.1%, or more than two times inflation difference between Committee-passed and the President's plan: 58 per beneficiary per day per capita spending—1995: \$4,800, 1996: \$5,300, 2002: \$7,000.

Keeps the Hospital Insurance Trust fund solvent through 2006, without gimmicks, meeting the President's stated goal.

Makes no assumption about the part B premium, but is consistent with a plan that matches the President's premium proposal.

THE PRESIDENT'S PLAN

Total medicare spending, 1997-2002: \$1.526 trillion.

Total savings, as scored by CBO: \$116.1 billion.

Total savings claimed by the President: \$124 billion.

Average growth rate from 1996 to 2002: 7.2%.

Total growth from 1996 to 2002: 52%.

HI Trust Fund goes bankrupt in 2002, buying only one additional year of solvency.

Transfer \$55 billion of home health spending from part A to part B, artificially inflating the life of the HI trust fund. Even with this gimmick, the HI trust fund goes bankrupt in 2005, and the President fails to meet his stated goal of solvency for a decade.

BASIC FACTS

Number of beneficiaries, 1996: 37.5 million.

1995 total medicare spending: \$180 billion.

1996 medicare spending: \$199 billion increase in spending, net of premiums, from 1995 to 1996: +\$19.2 billion (+12%).

This increase in spending from 1995 to 1996 is more than is spent in 1996 on: elementary, secondary, and vocational education (\$15.5 billion); all justice / crime / law enforcement spending (\$17.5 billion); all spending for science, space, and technology (\$16.5 billion); and comparable to all spending for natural resources and the environment (\$21.5 billion).

Mr. DOMENICI. Mr. President, I understand the next vote is going to be on the Abraham-Domenici amendment. Have the yeas and nays been ordered on that?

The PRESIDING OFFICER. No.

Mr. DOMENICI. I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the third vote in this voting sequence be on or in relation to the Exon amendment No. 3965, the so-called President's amendment.

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

Mr. DOMENICI. So that will follow the Abraham-Domenici. I think that will be the last vote tonight.

Has this been ordered for 10 minutes?

The PRESIDING OFFICER. It has been ordered for 10 minutes.

Mr. DOMENICI. I ask unanimous consent that there be 10 minutes on the Exon amendment.

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

Mr. DOMENICI. I ask for the yeas and nays on the Exon amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I think I should announce that while we are going to try to stay on after this vote to see what we can do to negotiate and get some consent—

Mr. MURKOWSKI. We cannot hear you.

Mr. DOMENICI. Perhaps if some of you would not talk so much you could hear me.

The PRESIDING OFFICER. There will be order in the Chamber, please.

Mr. DOMENICI. I am not running for anything around here. That is why you do not pay attention.

Could we have order, Mr. President?

The PRESIDING OFFICER. Could we have order in the Chamber, please?

Mr. DOMENICI. Mr. President, we are going to convene tomorrow morning at 9:30. We cannot tell you yet whether there are going to be votes. We think there will be. Certainly tomorrow we are going to work a long time trying to get amendments up. If Senators have amendments and can be here tomorrow, they ought to be here. We are going to use a lot of time on this budget resolution tomorrow. If we can get an orderly sequencing of amendments, we might not have to stay here and vote. If we can just get started in the morning to let us see where we are, but for now you ought to be here because we may have votes early in the morning.

Is that a fair statement, Mr. Minority Leader?

Ms. MIKULSKI. Are there additional votes tonight?

Mr. DOMENICI. There are no additional votes tonight—I have already announced that—after the two remaining ones.

Mr. EXON. Mr. President, could I add one thing that I think should be driven home? If we are going to expedite this process, we are going to have to have people who are on the list to come and offer their amendments on Friday, or on Monday and not leave here tonight and assume that they are home free until sometime on Tuesday because, if we all do that, then Tuesday is going to be a much worse day than it is destined to be in any event. So I hope people listened to what Senator DOMENICI said and be here tomorrow to offer amendments, and not just assume, and then everybody flock in here as they usually do at 2:30 on Tuesday afternoon and say, "Why can't I have 2 hours on my amendment?" It will not be.

Mr. DOMENICI. Mr. President, fellow Senators, I want to repeat what I said. I have been asked by the majority leader to indicate to all of you that we are trying to finish this budget resolution Tuesday night. If that means at 12 o'clock on Wednesday morning at 1 or 2, that is included in the definition of Tuesday. It may be Wednesday, or Tuesday morning at 4 a.m. But we are going to try. If you can start offering amendments tomorrow, we may have an agreement that on Monday there will not be any votes. If we get a sequencing of amendments where you offer 10 or 15 amendments and offer them on Monday, then we may, indeed, be able to give some of you the opportunity to not have to be here on Friday and Monday. But we need cooperation before we do that.

Mr. EXON. Mr. President, may I add one other thing? I ask the Democrats before they leave here tonight and the Republicans before they leave here tonight to come to our desks and tell us when you will be here tomorrow, or want to be here tomorrow, or Monday with regard to offering your amendments. If you will do that, and we will be working back and forth as best we can on amendments as we have been, then we might be able to reach some kind of an agreement that, yes. You want to be here at 10, maybe not 10, or 10:30, we might be able to get an orderly process going because otherwise Tuesday is going to be unbelievably bad.

So please drop by if you can be here on Friday like you are supposed to be, and tell us when you will be here, and we will be glad to accommodate you as best we can on timing.

Mr. DOMENICI. Mr. President, I yield the floor.

VOTE ON AMENDMENT NO. 3980

The PRESIDING OFFICER. The question now occurs on the amendment offered by the Senator from Michigan.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDENT OFFICER (Mr. BURNS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—53

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Grassley	Pressler
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Heflin	Simpson
Cochran	Helms	Smith
Cohen	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Jeffords	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Faircloth	Mack	

NAYS—45

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Harkin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	Wyden

NOT VOTING—2

Kassebaum Pryor

The amendment (No. 3980) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3965

Mr. DASCHLE. Mr. President, the President's fiscal year 1997 budget builds on the immense economic success of his 1993 budget.

Since the enactment of that historic deficit reduction package, the Federal deficit has been cut in half—from \$290 billion to a projected \$144 billion in 1996, according to the Congressional Budget Office. The deficit as a share of the economy is down from 4.7 percent in 1992 to 2.3 percent today. Last week CBO projected the 1996 deficit may be even lower—down to \$130 billion.

These favorable reports serve as testament both to the effectiveness of the 1993 deficit reduction package and a strong Clinton economy. Actual total deficit reduction achieved by the 1993 budget package is now estimated by CBO to be approximately \$800 billion

over 5 years. All this progress has come from a deficit reduction package that was enacted without a single Republican vote.

Although most of my colleagues on the other side of the aisle predicted the 1993 package would bring about job loss and recession, economic indicators have improved vastly since the Bush recession. Unemployment is down from 7.3 percent in January 1993 to 5.4 percent in April 1996. Inflation has been remarkably low during these times of sustained economic growth, with the consumer price index increasing less than 3 percent in each of the last 3 years. Since January 1993, 8.5 million jobs have been created, and more than 90 percent of those were private sector jobs.

Interest rates—responding to sound fiscal policies—have fallen well below the levels of 3 years ago, with the 30-year average rate dropping from 7.67 percent in 1992 to about 7 percent today. Business investment in equipment is up 11 percent per year in real dollars since the fourth quarter of 1992. And corporate profits are up to a 13-percent annual rate since fourth quarter of 1992.

The economy is strong. But the new Clinton budget is sensitive to the underlying anxiety and apprehension of America's working families. This budget secures the integrity of the Medicare trust fund through 2005, and it does so without ravaging Medicare. In contrast, the Republican budget cuts \$50 billion more.

The President's budget maintains guaranteed health care for nursing home seniors and poor children under Medicaid. In contrast, the Republican budget could cut as much as \$250 billion in Medicaid.

The President's budget maintains America's investment in education and job training—Head Start, Basic Education Assistance (title 1), and Job Training for Dislocated Workers. In contrast, the Republican budget cuts \$60 billion from these priorities.

The President's budget does not raise taxes on working Americans. In contrast, the Republican budget cuts \$20 billion from the earned income tax Credit, raising taxes on 6 to 10 million hard-pressed working families.

The President's budget protects the environment. In contrast, the Republican budget cuts EPA operating programs by 11 percent in 1997 and by 23 percent in 2002.

The President's budget does not offer tax breaks for the rich at the expense of Medicare and education. In contrast, and contrary to the representations made by some of my colleagues, the Republican budget provides \$180 billion in tax breaks for the wealthiest Americans over the next 6 years.

Mr. President, the President's budget would balance the budget by 2002 using CBO economic assumptions. But, unlike the Republican budget, it would balance the budget without abandoning America's priorities. It would preserve

paycheck security, health security, and retirement security for America's working people.

The spending cuts in the President's budget are significant, yet they are made in the right places. The President's budget would achieve more than \$600 billion in spending cuts by 2002. It would reduce the size of the Federal Government work force by 200,000, making it the smallest it has been in 30 years.

Finally, the President's budget would provide targeted tax relief for working families and for families trying to send their children to college.

The bottom line, Mr. President, is that the President's budget is a budget that reflects the priorities of the American people. In contrast, the Republican budget is the same extreme proposal the American people rejected last year.

The PRESIDING OFFICER. The question now occurs on amendment No. 3965, as amended, offered by the Senator from Nebraska [Mr. EXON]. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 53, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—45

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerry	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	Wyden

NAYS—53

Abraham	Faircloth	McCain
Ashcroft	Frist	McConnell
Bennett	Gorton	Murkowski
Bond	Gramm	Nickles
Brown	Grams	Pressler
Burns	Grassley	Roth
Byrd	Gregg	Santorum
Campbell	Hatch	Shelby
Chafee	Hatfield	Simpson
Coats	Helms	Smith
Cochran	Hutchison	Snowe
Cohen	Inhofe	Specter
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kyl	Thompson
DeWine	Lott	Thurmond
Dole	Lugar	Warner
Domenici	Mack	

NOT VOTING—2

Kassebaum Pryor

The amendment (No. 3965), as amended, was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote by which the

amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CLARIFICATION OF OPPOSITION
TO GRASSLEY AMENDMENT NO.
3963

Mr. McCAIN. Mr. President, yesterday, during debate on an amendment to cut defense levels in the budget resolution, the senior Senator from Iowa cited certain statements contained in my recent paper on military readiness. I have great respect and friendship for my colleague. However, I must point out that those quotations were taken out of context and were used to give the impression that I supported the Senator's amendment to reduce the defense spending level in the pending resolution.

I want to take this opportunity once again to state very clearly my strong opposition to the Grassley amendment.

First, I strongly oppose any amendments to reduce the level of defense spending in the pending resolution. Last year, I was at the forefront of efforts in the Senate to add funding to the President's defense budget. Ultimately, the Congress added \$7 billion, most of which was allocated to modernization programs.

And I strongly supported the Senate Armed Services Committee's bipartisan letter to the Senate Budget Committee requesting a significant increase in the Defense budget. The pending resolution includes the increase we requested.

Second, President Clinton's defense budget request for the coming fiscal year seriously neglects future readiness, putting at risk the ability of our military forces to prevail in future conflicts. Our highest ranking military officers, including the Chairman of the Joint Chiefs of Staff, cited the need for increased procurement funding to ensure a modern, ready force in the future. The Senate Armed Services Committee recently reported to the Senate a Defense authorization bill for the coming fiscal year that includes significant increases in the procurement and research and development accounts for future modernization.

Third, the statements cited yesterday by the Senator from Iowa were taken completely out of the full context of my paper. The Senator should re-read the paper in its entirety, in which it is clearly stated that funding for our Nation's military is far too little to fully meet our vital national security needs.

I do believe, as the Senator quoted, that we must look for ways to do more with less. That statement is based both on an acknowledgment of fiscal reality as well as a sense of responsibility to the taxpayers. Regardless of whether we increase the top line of the Defense budget, we have a responsibility to the American people to spend their tax dollars wisely. Every dollar of defense

spending should be spent carefully and for programs which enhance the ability of our service men and women to do their jobs, whether they are assigned to combat units, support units, or the Reserve components.

I also believe, as the Senator quoted, that eliminating excess infrastructure is necessary and would free up funds for military modernization. The Department of Defense, with the help of Congress, must continue its ongoing efforts to streamline operations and improve efficiency by eliminating wasteful spending and practices. The Senator from Iowa has been active in promoting financial and other reform efforts in the Department of Defense, and I commend him for his efforts.

However, the Senator seems to have missed the larger point of my paper.

On page 19 of the paper, I clearly stated, as follows:

There are many approaches to streamlining defense operations and activities that could result in cost savings and which should be done to ensure the best value to the American taxpayer. However, the magnitude of savings from these efficiencies is negligible in comparison to the funding required to modernize and maintain a ready military force.

Finally, let me note this clear concluding statement:

In all of the decisions we face about our future defense requirements, we must not allow fiscal considerations to be the single, dominant factor. Instead, we must focus on the most cost-effective means of maintaining the military capabilities necessary to ensure our future security. We must pay what it costs for a military force capable of deterring aggression and achieving success in any future conflict. In short, we must be prepared to accept the cost of being a world power.

These statements clearly represent the full context of my paper, which focused principally on a proposal to reform the military readiness system, but also repeatedly cited the need for additional funding for military modernization. I am sorry the Senator from Iowa seems to have missed the point of my paper.

Just like the quotations from my paper, the amendment of the Senator from Iowa missed the mark. His amendment would have done nothing to encourage the Department of Defense to operate more efficiently, if that was his intention. His amendment did not even address alleged Pentagon waste and mismanagement, which would be permitted to continue unabated even if his amendment had been adopted. Instead, his amendment would have cut needed funding for the military modernization programs added by the Senate Armed Services Committee in the recently reported Defense Authorization bill for Fiscal Year 1997.

I voted against the Grassley amendment, which failed by a vote of 57 to 42. I intend to vote against other such amendments to cut the defense function.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following

amendments be the only remaining first-degree amendments that will be in order to Senate Concurrent Resolution 57, and that all other provisions of the Budget Act remain in effect, provided that the amendments may be offered by a designee.

The list is as follows:

REPUBLICAN LIST

Chafee/Breaux—alternative budget.
Simpson—SOS accurate inflation index.
Brown/Simpson—CPI.
Brown/Simpson—SOS eligibility ages.
Lott—U.N.
Campbell—at risk youth.
Thompson—delete Presidential check off.
Hutchison—SOS homemaker IRA.
Faircloth—SOS national debt.
Faircloth—welfare.
Kyl—LIHEP.
Kyl—SOS tax limitation.
Kyl—Americorp.
Murkowski—relevant.
Domenici/Gorton—Medicare Part A.
Domenici—Spectrum.
Snowe—SOS tax cut sunsets.
Ashcroft—payroll taxes.
Gramm—SOS Soc. Sec. taxes.
Thomas—biannual budgeting.
Grams—SOS bal. budget/taxes.
Snowe—SOS student loans.
Roth—Amtrack.
Specter—Labor-HHS
Domenici—tax reform.
Jeffords—relevant.
Nickles—unified budget.
Nickles—relevant.
McCain—SOS spectrum.
Helms—SOS education.
Dole—SOS drug crimes.
Dole—relevant.
Domenici—EITC spending.

DEMOCRATIC AMENDMENTS TO THE BUDGET
RESOLUTION

Baucus—SOS essential air service.
Biden—(1) crime; (2) higher education.
Bingaman—(1) EDA; (2) relevant.
Boxer—(1) SOS taxes; (2) Medicaid and nursing homes.
Bradley—EITC restoration.
Bryan—CBO certification.
Bumpers—(1) asset sales; (2) fire walls; (3) mining reclamation.
Byrd—(1) restore infrastructure investment; (2) relevant; (3) relevant; (4) relevant; (5) relevant.
Conrad—relevant.
Daschle—relevant.
Dorgan—relevant.
Exon—relevant.
Feingold—tax cut.
Graham—Medicare solvency waste/fraud.
Harkin—(1) Medicaid changes; (2) relevant.
Hollings—gas tax to highway and aviation trust fund.
Kennedy—(1) spousal impoverishment; (2) seniors abuse; (3) prescription drugs; (4) premium surcharge; (5) Davis-Bacon; (6) worker safety.
Kerrey—(1) SOS reduction CPI; (2) SOS long term entitlement.
Kerry—(1) environment; (2) education, (3) crime; (4) preserve Presidential campaign checkoff; (5) LIHEAP; (6) relevant.
Kohl—SOS crime prevention funds.
Lautenberg—(1) relevant; (2) relevant.
Levin—(1) reduction defense number; (2) drug blocker research money.
Mosely-Braun—SOS budget priorities.
Murray—(1) SOS GSA priority transfer excess property re: education and technology.
Nunn—(1) Long-term entitlement reform; (2) SOS CPI.
Pryor—Glaxol/GATT.
Reid—environment.
Rockefeller—medicare.