

Mr. LOTT. The earned income tax credit program is one that most of us have supported in the past. The problem has been it has exploded, like so many Federal programs. Now, I understand, people who have an income of up to \$30,000 a year are getting a tax credit. We are not saying eliminate it. We are not saying wipe it out. We are saying control the explosive growth, make sure it is applicable and provided to those who are at the low-income, entry level, and not begin to move it on up into the beginnings of middle-income people.

Another point, let us talk about the specifics of the tax proposals. I have asked this question here on the floor and nobody has really responded to it.

Mr. KENNEDY. Could I ask the Senator this question, why is the Senator—

Mr. LOTT. Mr. President, I yield for a question.

Mr. KENNEDY. Why is the Senator so concerned about providing some offset for the EITC program, for the increases in the Social Security and the excise taxes and other FICA taxes, for families that are making \$30,000, yet so unwilling to try to provide also some belt tightening for those who are making \$400,000? I have not heard the Senator talk about that. I am stunned by his silence. I am sure he is going to address that issue. That is what this is about.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The time belongs to the Senator from Mississippi.

Mr. LOTT. I would ask this of the Senator, is he opposed to eliminating the marriage penalty in the Tax Code? For years we have talked about the unfairness of the marriage penalty. That is one of the things we propose to eliminate, and it is not cheap. It costs a good bit of money. Why should a couple living apart pay more when they get married, under the Tax Code, even though they are making the same money?

Who among us opposes the option of the spousal IRA, the spouse working in the home being able to have an individual retirement account? I do not think anybody is opposed to that. Most of us would like to see the IRA expanded because we would like to encourage savings. When we had the individual retirement account provisions in the 1980's it worked. It encouraged people to save. Part of what is going on in these negotiations would allow for an expansion of IRA and then allow it to be used for education and for medical purposes. I think those are good ideas.

And should we not allow for changes in the estate taxes so people who have small farms and small businesses do not wind up having to sell the farms that have been in their families for years to pay for the estate taxes—how in the world did we ever get in a position of taxing death, anyway? I think most American people would like to receive some relief there, whether they are wealthy or poor, frankly.

Also, you want to help families, a family of four? How about helping them by allowing them to keep a little of their own money with a tax credit for children? We are trying to encourage and help families with children provide for their own needs, and not everybody just look to the Federal Government to do it for them.

Yes, the capital gains tax rate cut. This is something most people will acknowledge, if it is done properly, will encourage growth in the economy and the creation of jobs. Even the President has said as much. He has said that if other tax provisions can be worked out, and the spending disagreements can be worked out, that this is something that he could support.

So it is one thing to bash the tax cuts en bloc, but when you take it apart and look at what is in the package that passed the Congress overwhelmingly, there is an awful lot of good in there. I hope it will remain in the final package.

Maybe the magic number is not 240 or 245, maybe it is less than that. But I think we need to look at the specifics of what we are trying to do and who we are trying to help in the economy. If we need to make changes to make sure it is directed more to the middle-income families, fine. I would support that. I think that is the way the talks will eventually go.

Mr. SARBANES. Will the Senator yield for a question?

Mr. LOTT. Mr. President, before I yield the floor I yield for a question.

Mr. SARBANES. Yesterday AT&T announced they were going to fire 30,000 people. Why in the world would you cut the taxes, in some instances in half, on the CEO's getting the stock options, who are not on their way out the door, and then turn to these fired, these families who have been fired, and say it is going to be harder for you to get a tuition loan to send your son and daughter to college. Or, if they are—

Mr. LOTT. It is not going to be harder for them to get a tuition loan.

Mr. SARBANES. Low-income people, they are not going to get the tax credit.

Mr. LOTT. Everybody who wants to go to college will be able to get a loan or grant or work-study program or scholarship. They will be able to go to college in America.

Mr. SARBANES. Not under the plan you put forward. You are cutting back on that.

You are having senior citizens finding themselves unable to get medical care and, at the same time you are doing all this, you are going to give a big tax break.

Mr. LOTT. Mr. President, I reclaim my time. If the Senator is going to make that kind of statement about what we are going to do, throwing senior citizens off of Medicare, that is just not the case. It is not the intent and it would not be the result.

As a matter of fact, I think the Senator from Maryland knows that in the

alternative budget that has been proposed by the majority in Congress, more money is added back for education. Even these direct loans are being increased.

Mr. KENNEDY. Will the Senator yield on the issue of education?

Mr. LOTT. I still maintain, when you look at the Federal programs we have with the NDSL, the Pell grants, the other grants, the myriad of programs to help people who want to go to college, the money is there for people that need it. The only ones who may not be getting enough help are those in the upper-middle-income category that cannot qualify for the loans or the grants.

Mr. KENNEDY. Mr. President, could I ask, just on that question—

Mr. LOTT. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Why does the Senator, who believes in competition and also in choice, why does he defend the Republican position in insisting that students get their aid and assistance through colleges through the guaranteed loan program, which provides, over the period of the next 7 years, a guaranteed profit of between \$7 and \$9 billion over that period to the banks in this country, rather than letting the college and the student make their choice whether they want that or the direct loan program?

Mr. LOTT. Let the Government do it. That is always the answer. Let the Federal Government become the lender of first resort.

Mr. KENNEDY. Why not let the schools and students choose the loan program that provides the best services at the lowest cost, rather than writing in, as the Republicans have done, an arbitrary cap on direct loans?

Mr. LOTT. Mr. President, I reclaim my time to say this. The answer is always let Uncle Sam give the money, direct the money, loan the money. I say the private sector can do it and they will do a better job of collecting the loans that are owed than the Federal Government. The Federal Government has a terrible record in collecting money that is owed on these loans that have been made.

I say we should have a greater emphasis on loans, as a matter of fact. I have always supported the NDSL Program. But now we are going to a program that, in my opinion, is going to wind up costing a whole lot more and, for a lot of kids in the future who will need that help, the money will not be there to help them.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

THE GOVERNMENT SHUTDOWN

Mr. BAUCUS. Mr. President, we have heard some very interesting comments by the Senator from Mississippi, the Senator from Maryland, and the Senator from Massachusetts, debating what the provisions of the Federal

budget should be. Each Senator has his own views. That is a very important debate. I personally fall on the side of the Senator from Maryland and the Senator from Massachusetts, in saying this budget proposed by the Republican majority is unfair. It creates too much of a burden on middle-income people, on low-income people, and shifts the benefit to the most wealthy. It is just basically unfair. But, Mr. President, I stand here to address another issue.

While we are here debating what the provisions of the Federal budget should be, many—tens of thousands, hundreds of thousands, millions of innocent Americans—are suffering because the Government is shut down and because innocent Americans, whether they are working for the Federal Government or not, are bearing the brunt of this shutdown. It is wrong. It is absolutely wrong. We should put people back to work.

The burden of this debate should not fall on innocent Americans, and it is now falling on innocent Americans because the House majority and the Speaker of the House are in a willful band over there and are not letting American Federal employees go back to work.

It is a very interesting debate we have heard from the Senator from Mississippi, the Senator from Massachusetts, and the Senator from Maryland. It is very interesting. Let us have this debate. Let us work on the budget. Let us work on the provisions. But, in the meantime, let us put Americans back to work, and let us take the burden off of innocent Americans.

Today, once again, most of the employees of the Forest Service, the Bureau of Land Management, the VA hospitals, the State Department, and many other parts of our Government will stay home and the rest will work without pay.

Small businesses will go without Government contracts as their rent and utility bills are coming due.

People on Indian reservations will have to go without heating assistance money as a blizzard now sweeps across the Great Plains during the coldest weeks of the year.

Gas stations in rural areas that depend on their customers in the Forest Service will lose more of their business.

Families will lose their housing deposits. Why? Because the VA cannot process home loans.

I am here to say that it is an outrage. I spent last Monday walking down Route I-94 through Miles City, close to where you, Mr. President, reside. That is the State you represent. I heard from people who do not know how they will pay their heating bills, and others who had counted on a day snowmobiling in Yellowstone National Park. I have heard the same outrage from people in our State who are unable to go snowmobiling in Yellowstone National Park. Excuse my language, but they are mad as hell, and they are right to be mad as hell.

Listen to a letter I got last week from a fellow who works in the park.

I work here in Yellowstone National park in the fleet Maintenance Division as a mechanic. The job I currently hold has been the best one I've ever held. I've held this permanent position since the 25th of September, 1989. As you very well know, the National Park Service is currently in the middle of the budget crisis. This stalemate has got to stop now, due to the fact that the main concessionaire, TW Recreational Services, has been considering shutting the season down because they cannot maintain the number of employees to wait out this "Mexican Stand-off" and may have to abandon the rest of the season.

Not only that, the gateway communities of the Park are currently losing capital and are trying to survive the lost income all because you people decided to "flex" your muscle and keep the National Park Service shut down.

Now hear an e-mail I received just this morning from a woman who works in Hamilton:

As a non-tenured, furloughed staff scientist at the Rocky Mountain Labs, NIH, Hamilton Montana, I am feeling this quite acutely, both financially and professionally.

Or listen to the folks at the Gardiner Chamber of Commerce:

Gardiner is the north entrance to Yellowstone Park. The economy is almost entirely dependent on visitors to Yellowstone. With Yellowstone closed the last three weeks, the cost to our small community of 1,500 is not less than \$1.5 million in private sector gross receipts.

Mr. President, you heard that right. Since last December, Gardiner has lost \$1,000 for every single resident—innocent people, while we here debate. It is wrong.

Mr. President, it is an outrage. Whatever one's views on the budget, it is wrong and has to stop. It is wrong that innocent people suffer, whether they are furloughed Federal employees or other Americans who feel the brunt of it, while we in the Congress debate the budget.

I want to commend our majority leader for doing what is right and getting the Senate to do its part by passing a bill to keep the Government open. That was a tough decision. He has been roundly criticized for it. But it was the right thing to do.

Now it is up to Speaker GINGRICH and the House. Up to now, they have flat-out refused to do what is right. They have flat-out refused to take the burden off of innocent Americans. They are the holdouts. Yesterday, they voted to keep hurting the small businesses outside Yellowstone, keep the people on the Fort Peck Reservation and our other reservations waiting for their heating assistance, keep people at home or working without pay.

Why did they do it? Well, they have ideas that they want the President to accept on the budget. Maybe they believe they get some leverage over the President with this, or think they have some political advantage when all of this is ended. That might be so. I have ideas that I would like the President to accept on the budget, too. But I am not going to punish innocent people just because I want my views adopted.

The fact is, you should not do things that you know are wrong. It is that simple. It is the very first moral lesson we learn as children. You should not do things you know are wrong.

You should not make families on the Fort Peck Reservation go without heating in the coldest part of winter.

You should not threaten the jobs of auto mechanics and scientific researchers.

You should not threaten to make small businesses close their doors because they have no money to pay the rent.

You should not hurt innocent, hard-working people.

So I have come down here to the floor, Mr. President, just to say to the Speaker and to the folks in the House, do what you know is right. Pass the resolution. Put folks back to work. Take the burden off of them so that we in both Houses of Congress, along with the President, can do the Nation's work and pass the 7-year balanced budget resolution.

Let us debate the provisions of it, but let us not in the meantime put the burden on innocent Americans. Mr. Speaker, and all of the Republicans in the House, I urge you to do what you know is right. Pass the resolution and put the people back to work.

Mr. President, I yield the floor.

Mr. SARBANES addressed the Chair. The PRESIDING OFFICER. The Senator from Maryland.

THE BUDGET

Mr. SARBANES. Mr. President, just a couple of days ago Ellen Goodman wrote a very interesting column entitled "Bootstraps for Middle-Aged Children," and she addressed the problem that would confront the elderly and their children if the budget is cut according to the Republican budget proposal. She made the point that middle-aged children may get a small tax cut of less than \$1 a day and a nursing home bill of \$35,000 a year for their parents if some of these Medicaid cuts go through.

Actually, the fact is that Medicaid now pays for 60 percent of nursing home care. The elderly are required to use up their own assets until they get down to a level where they qualify for Medicaid. These are middle-income people who are, in effect, by their health situation, forced to use up their assets in order to meet their medical needs, and then Medicaid covers for them. If Medicaid ceases to do that, the burden is going to come back upon their children.

I think if people ask themselves carefully, "Which would you rather do, forego a small tax benefit or keep the protection against the extraordinary costs of nursing home care?" they would want to be protected against the nursing home costs.

I ask unanimous consent that this article be printed in the RECORD.

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