

board of trustees of the Federal hospital insurance trust fund estimated that the assets of the trust fund—Part A of the Medicare Program—will be exhausted by the end of calendar year 2001. Last year's estimate was 2002. As ominous a statement as this may seem, it is meaningless. In point of fact, Medicare part A outlays have exceeded payroll tax collections since 1992, when a cash flow deficit appeared of approximately \$3 billion—a deficit funded with general revenues. Medicare part A outlays that year were \$85 billion, while payroll tax collections were only \$82 billion.

The trustees of the old age, survivors, and disability insurance trust fund also issued their annual report today. They estimate exhaustion of the old age, survivors, and disability insurance trust fund in the year 2029. Last year's estimate was 2030. Again, meaningless. Social Security outlays will exceed payroll taxes in the year 2012. By the year 1997, outlays for Social Security and Medicare part A will exceed payroll tax collections for Social Security and Medicare. According to the 1996 trustees' reports, combined outlays for Social Security and Medicare part A in 1997 will be \$514 billion; payroll tax receipts will be only \$506 billion. And the combined deficit for the two programs will grow rapidly thereafter, reaching almost \$100 billion in about 10 years.

#### EFFECT OF MEDICARE AND SOCIAL SECURITY ON THE FEDERAL BUDGET

Prior to 1992, during the period in which Medicare part A payroll taxes generally exceeded outlays, the program contributed to a reduction in the overall deficit. This is because the deficit calculation is based on the unified budget, and the trust fund into which Medicare payroll tax collections are deposited is merely an accounting device. It is irrelevant for purposes of calculating the deficit. Since 1992, with outlays consistently exceeding payroll tax collections, Medicare part A has been adding to the deficit. If Medicare and Social Security are in the black, they reduce the deficit. If they are in the red, the deficit is increased.●

#### EXPLANATION OF SELECTED VOTES TO THE SENATE BUDGET RESOLUTION

●**Mr. ABRAHAM.** Mr. President, similar to last year's consideration of the budget resolution, the Senate considered a near-record number of amendments this year, many of which were offered after time had expired and voted upon without debate. Since time was limited then, I want to spend a few moments now to offer explanations for several of the more critical votes.

As with last year's budget, several amendments were offered which targeted increased spending to certain areas of the budget. These included a Boxer amendment to increase by \$18 billion Medicaid spending, a Byrd amendment to increase domestic discretionary spending by \$65 billion, and a Kerry amendment to provide \$7.3 bil-

lion in increased funding for the EPA, national parks, NOAA, and other areas. In all three cases, these spending increases were offset with increased taxes.

Mr. President, while I strongly support many of the programs targeted by these amendments, it will be extremely difficult for Congress to balance the budget if we choose to raise taxes every time we want to fund additional programs. By opting to tax and spend our way out of tight budgets, we are simply putting off the difficult choices which must be made. For this reason, I opposed these amendments.

Another amendment I opposed was the Domenici amendment to provide an additional \$4 billion in domestic discretionary outlays for next year. I applaud the chairman of the Budget Committee for working hard to restrain spending and I support many of the programs that this additional funding would assist, including education funding. But while the actual programs benefitting from this amendment are undefined, it definitely moves us away from our goal of restraining the growth of government spending and balancing the budget. As was pointed out during the debate, this amendment would raise domestic discretionary spending \$17 billion above the level that was called for in last year's budget resolution. In my mind, that is simply too much.

Another amendment dealing with taxes was the Wellstone amendment expressing the sense of the Senate that, once the \$500 per child family tax credit had been adopted, the next priority for the Finance Committee should be legislation to provide a tax deduction of up to \$10,000 for higher education tuition expenses.

Mr. President, this amendment does not debate the propriety of enacting tax cuts. Instead, it focuses upon who is best suited to decide what American families should do with their hard earned money—the families themselves or the Federal Government. In effect, Senator WELLSTONE is saying, I will let you keep more, as long as you use it for college expenses, because that is my priority. On the other hand, Republicans say, We are going to allow you to keep more of what you earn to use it as you—not the government—thinks best. We should not only give Americans a tax break, we should also give them the freedom to set their own priorities with their own money.

The final amendment targeting tax cuts was one I supported—the Ashcroft amendment to allow taxpayers to deduct payroll taxes from their income when calculating their income taxes. Once again, this amendment presented Senators with a clear-cut choice: Do we allow hard-working men and women to keep more of what they earn so they can spend it as they see fit, or do we take their money and invest it in more government. While I did not support all the offsets included in the Ashcroft amendment, I believe there is an overwhelming case to be made for significant tax cuts at this time. Not the

least of these is the record tax burden currently shouldered by American families. According to economist Bruce Bartlett, combined local, State, and Federal taxes now consume a record percentage of the total national income. This is entirely too much, and I support reasonable efforts to help reduce this burden.

Several amendments were targeted at federal education efforts. One was the Kerry amendment to add \$56 billion to the education function and offset that increased funding by reducing the tax cuts called for in the bill. In the words of Senator KERRY, this additional funding would provide enough money to be sufficient to keep pace with student enrollment and inflation over the next 6 years.

Mr. President, last year I worked extensively with Senators SNOWE, KASSABAUM, and others to ensure that our efforts to balance the budget did not hurt students. I support effective education programs. What this amendment proposes, however, is to eliminate our ability to pass tax cuts for families with children, and spend that money instead on education bureaucrats who, in some cases, oversee programs as wasteful as any in the Federal Government. Given the choice between bureaucrats and families, I chose families.

There were also several amendments that focused on Republican efforts to reform our entitlement programs. The most broad-based of these was the Kerry amendment on long-term entitlement reform. This amendment would express the sense of the Senate that Congress should enact a broad set of entitlement reforms, including raising the retirement age and adjusting the Consumer Price Index, to ensure the long-term solvency of Social Security and other entitlement programs. Senator KERRY has been an outstanding leader on the issue of entitlement reform and I applaud his efforts. Nevertheless, I believe that adjusting the Consumer Price Index should be done only after the special commission created to study the CPI's accuracy has an opportunity to publish its findings.

This was also the principle reason I opposed the Chafee-Breaux substitute budget, which received 46 votes. The substitute budget made many of the same tough choices as the underlying Republican budget, including welfare reform, slowing the growth of Medicaid, and tax relief for families. On the other hand, the amendment would have saved \$91 billion from a .5-percent reduction in the Consumer Price Index. This reduction would have meant lower benefits for seniors, and higher taxes for families. It also meant the bipartisan budget could spend \$117 billion more in discretionary spending over the next 6 years. While there was much to like in this alternative budget, I could not support the decision to cut

benefits and raise taxes solely in order to fund additional spending.

Another amendment focused on entitlement was the KENNEDY amendment expressing the sense of the Senate that any reconciliation bill will maintain the existing prohibitions against additional charges by providers under Medicare. For the existing Medicare system, I agree this prohibition against so-called balance billing makes sense. On the other hand, the current Medicare System is going broke, and it makes little sense to tie the hands of the Finance Committee when they search for innovative ways to preserve the current system while providing new options to seniors. In effect, the Kennedy amendment is an attempt to forestall Medicare reform. As such, it is irresponsible and I voted against it.

Finally, there were several miscellaneous amendment which deserve comment. The first of these was the Graham-Baucus amendment to create a 60-vote point of order against efforts to divert savings which result from health care fraud and abuse programs from the Medicare HI trust fund to be used for other purposes.

First, it is important to note that this amendment would have no impact on the solvency of the Medicare trust fund. As a trust fund with a dedicated source of revenues, funding for Medicare part A cannot be diverted for other uses. Nor can savings resulting from Medicare reforms be used for any purposes other than to make the trust fund more solvent. Simply put, this amendment would have no real impact on Medicare whatsoever.

Second, this amendment violated the Budget Act by creating a point of order outside the jurisdiction of the Budget Committee. It is simply against the rules for the budget resolution to create points of order against legislation originating from other committees. For these two reasons, I opposed this amendment and supported Chairman DOMENICI's point of order against it.

One amendment dealing with foreign policy was the Lott amendment expressing the sense of the Senate that the United States should be reimbursed for expenses related to U.N. actions in Iraq. The amendment calls on the United States Ambassador to the United Nations to modify the recent U.N. resolution which permits Iraqi oil sales to be used for reimbursing U.N. humanitarian expenses. I supported this amendment.

The bottom line is Iraq—through the revenue derived from its recent U.N. oil sales—should reimburse the United States for money expended during Operation Southern Watch and Provide Comfort—whereby United States troops protected Kurdish and Shiite Muslims from Saddam Hussein. The U.S. expenses were of a military nature, but were made to satisfy a U.N. humanitarian policy. As such, these efforts should not be financed from the pockets of American taxpayers, but rather from the purses of the belligerent government that made them necessary in the first place.

erent government that made them necessary in the first place.

The last amendment I would like to comment upon is the Roth amendment to take .5 cents of the mass transit gas tax—which is 2 cents total—and apply it toward Amtrak. While the issue of Federal subsidies is for interstate passenger rail service is extremely contentious and involved, using the highway trust fund to support Amtrak clearly undermines the integrity of the fund and should be opposed. If Congress chooses to continue its support for Amtrak, it should be done through general revenues and subject to the same review process to which other discretionary spending is subject.●

#### PORTERVILLE HIGH SCHOOL 100TH ANNIVERSARY

● Mrs. BOXER. Mr. President, I would like to convey my warmest congratulations to students and teachers who will be celebrating the 100th anniversary of the Porterville High School in Porterville, CA.

I congratulate and commend the many teachers, staff, students and alumni for their academic, athletic, agricultural and musical contributions to Porterville High School. Through their hard work and dedication, they have made a tremendous difference in the school and in the community of Porterville.

The people of Porterville should be proud of the strong community spirit and devotion that has helped build Porterville High School into an outstanding California school. I commend these community members for their dedication to education and enrichment of the students, past and present.

I send my best wishes to them for another hundred years of success.●

#### NEW MEXICO SMALL BUSINESS WEEK AWARD WINNERS

● Mr. BINGAMAN. Mr. President, I would like to take this opportunity to congratulate the recipients of the New Mexico Small Business Week Award winners.

As you may know, each of the past 33 years, the President has issued a proclamation for the celebration of Small Business Week. This year, Floyd R. Correa, president and owner of Correa Enterprises, Inc. located in Albuquerque, NM, has been named New Mexico Small Business Person of the Year for 1996 by the U.S. Small Business Administration [SBA]. Floyd Correa is among 53 top small business persons, one from each State, plus the District of Columbia, Puerto Rico/Virgin Islands and Guam, who are being honored by the SBA at the national ceremonies this week in Washington.

A "New Mexico Small Business Week Celebration" to honor the New Mexico Small Business Person of the Year Award Winner is also taking place in Albuquerque this week, the Advocate Award Winners, the Regional Small

Subcontractor of the Year, and the New Mexico recipients of the procurement award, the SBA's Administrator's Award of Excellence will also be awarded.

Mr. President, I would like to take a moment to recognize the other award winners.

One of the New Mexico Advocate winners is Judith A. Framan who was named the 1996 National Women in Business Advocate of the Year. She will also be honored at the national SBA ceremonies. Ms. Framan is also the 1996 New Mexico Women in Business Advocate of the Year as well as the 1996 Region VI Women in Business Advocate of the Year. Ms. Framan is the owner of Judith Framan Associates located in Corrales, NM.

A second New Mexico Advocate winner is Anne Haines Yatskowitz, who was named the 1996 New Mexico Financial Services Advocate of the Year. Ms. Yatskowitz is the executive director of ACCION of New Mexico located in Albuquerque.

The 1996 New Mexico Accountant Advocate of the Year Award recipient is Virginia M.K. Stanley, who is president of Stanley and Associates, Certified Public Accountants, P.C. located in Albuquerque. Ms. Stanley's efforts and commitment on behalf of small business in New Mexico have been substantial, both on a professional and volunteer basis.

The recipient of the 1996 New Mexico Minority Small Business Advocate of the Year is Vangie V. Gabaldon. Ms. Gabaldon is the executive director of the New Mexico Community Development Loan Fund Program located in Albuquerque. In this capacity, she has compiled a remarkable record of commitment to small business throughout the State.

The 1996 New Mexico Media Advocate of the Year Award recipient is Barbara M. Chavez. Ms. Chavez is a business staff writer/reporter with the Albuquerque Journal located in Albuquerque.

And finally, the 1996 Regional Subcontractor of the Year recipient is Mr. Adelmo Archuleta, CEO of Molzen-Corbin & Associates located in Albuquerque.

Mr. President, one important key to New Mexico's future economic progress is the health and growth of our small business sector. Our economy has produced more than 9.4 million new jobs in the last 3 years, and the lion's share of these have been generated by small businesses.

We have much to do to provide a richer and less burdensome economic environment, as the June 1995 White House Conference on Small Business concluded. Business and Government are communicating on how best to address the central concerns expressed by the small business sector, and New Mexico's delegation to the White House Conference has been particularly active in the implementation of the conference's proposals. Supporting our Nation's entrepreneurs and small business