you want with Senator HUTCHINSON? Why don't we give you 2, if you wanted 1.

Mrs. LINCOLN. One or 2 minutes.

Mr. DOMENICI. That they be allowed to speak for 7 minutes, and then we will proceed with whatever order is decided here.

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

The Senator from Nevada.

Mr. REID. Mr. President, I yield to the Senator from Florida.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent that three congressional fellows in my office, Sean McCluskie, Matt Barry, and Angela Ewell-Madison, be granted the privilege of the floor during further consideration of the legislation.

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

The Senator from Nevada.

CONGRATULATIONS TO SENATOR BRYAN

Mr. REID. Mr. President,

How confusing the beams from memory's lamps are;
One day a bachelor, the next a grandpa.
What is the secret of the trick?
How did I get old so quick?

—*by Ogden Nash.*

Mr. President, my friend, RICHARD BRYAN, is a grandfather today for the first time. His lovely wife Bonnie and he are extremely excited. Their oldest son, who is a cardiologist in Reno, at 5:30 eastern time last evening had a baby, their first child, and Senator BRYAN's first grandchild.

I can't think of a person I know who is a better role model for a child than Senator BRYAN. I hope he and Bonnie have all the happiness that a grandchild can bring. I know that they will. I hope this beautiful boy, Conner Hudson Bryan, will follow in the footsteps of his father and enter public service.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2000

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 157

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I yield myself 10 minutes.

I am pleased to join my chairman, Senator SPECTER, in offering this amendment. Two years ago, the Senate went on record, 98 to 0, committing to double the NIH budget over 5 years.

Last year, Senator SPECTER and I were able to make good on that pledge by providing the biggest increase ever for medical research. We worked hard to make it happen. I thank all my Senate colleagues for working with us on that historic accomplishment.

The omnibus appropriations bill for this year contains a $2 billion, or a 15-percent, increase for the National Institutes of Health. That 15 percent puts us on track to meet our commitment to double the NIH budget for 5 years, which, I repeat, was voted on here 98 to 0.

Unfortunately, if we pass this budget resolution as it is, we will fall far short of the 15-percent increase necessary to maintain that commitment.

This budget resolution shortchanges Americans' health and shortchanges our efforts to control health care costs and keep Medicare solvent in the long run.

At the same time that this budget shortchanges basic investments in health care, the budget before us increases the Pentagon budget by $18 billion—$8.3 billion more than the President's request—to defend America against some ill-defined international threat.

What this budget should do is spend at least $2 billion more to defend us against the very real threats here at home every day —the threat of cancer, the threat of Alzheimer's, the threat of diabetes, the threat of osteoporosis.

Recently, under the leadership of Senator SPECTER, we had a hearing, and one of our witnesses was Gen. Norman Schwarzkopf. He was in town to urge Congress to increase its investment in medical research. He understands better than most that we cannot mount a strong defense without adequate resources. While we made some progress last year, we still have a long way to go.

Under the budget before us, NIH will only be able to fund about one in four meritorious research proposals. Those are research proposals that have gone through the peer review process deemed worthy of investigation. Only one in four will be funded.

In the next 30 years, the number of Americans over age 65 will double. Medical research is essential to help reduce the enormous economic and social burdens posed by chronic diseases that impact our elderly from Alzheimer's and arthritis to cancer and Parkinson's and stroke.

Take Alzheimer's disease. It alone costs the Nation over $100 billion a year. We know that simply delaying the onset by 5 years could save us over $50 billion a year. Delaying the onset of heart disease by 5 years would save over $69 billion a year. That is why I often say to my colleagues and others, if you really want to save Medicare, invest in medical research. That will take care of the looming deficit in Medicare. We are on the verge of breakthroughs in these and other areas. Now is the time to boost our investment to make sure that our Nation's top scientists can turn these opportunities into realities.

In addition to funding more research grants, another area that is critical to making the breakthroughs we know are possible is making sure we have state-of-the-art laboratories and equipment. However, most of the research is currently being done in laboratories built in the 1950s and 1960s.

According to the most recent National Science Foundation study, 47 percent of all biomedical research performing institutions classified the amount of biological science research space as inadequate, and 51 percent indicated they had an inadequate amount of medical research space. So the need is great.

Our amendment is very simple. It ensures that the budget resolution will provide a $2 billion increase to the National Institutes of Health for fiscal year 2000, and it is fully paid for. It is paid for by the very industry that has caused most of the death and disease in this country.

As I said before, Mr. President, tobacco kills more Americans each year than alcohol, car accidents, suicides, AIDS, homicides, illegal drugs, and fires all put together.

Simply put, our amendment turns tobacco profits toward the cure for the cancer, emphysema, and heart disease that it causes.

During the dealings that led to the tobacco settlements, the tobacco lawyers made sure that all the payments they made to the States would be considered ''normal and necessary business expenses.'' But there is nothing ordinary about this settlement. The tobacco industry has peddled a product that has killed millions of Americans through their deceptive advertising and sales practices. As a result of that loophole in the settlement, the tobacco industry can write off 35 percent of their entire settlement payment. That means American taxpayers, not big tobacco, will have to cough up as much as 35 percent of the cost, $2 billion this year alone, and continuing the next 25 years of the tobacco settlement.

In effect, the tobacco settlement is a $70 billion tax on the American people. What our amendment says is that basically the tobacco companies will not be able to deduct from their Federal taxes the amount of money that they pay to the States for this settlement. The American people have paid enough. To make them pay an additional $70 billion to cover up for the tobacco companies' tax deductions for their settlements is adding insult to death and injury.

Let me add one other thing, Mr. President. I have heard there is some misinformation floating out there about our amendment. Let me be clear. Our amendment would have absolutely no impact on the amount of settlement funds going to the States. The settlement has a clause that requires a dollar-for-dollar reduction in payments to the States if additional taxes are raised on tobacco and spent by the States, if the money is remitted to the States. Not one penny of the SPECTER amendment would go to the States but would all go to the National Institutes of Health. Therefore, it in no way violates that provision of the settlement.

Mr. President, I have a letter dated today from the Congressional Research

Service that makes it very clear that our amendment does not violate the master settlement agreement made between the States and tobacco companies. I ask unanimous consent that the letter be printed in the RECORD.

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

MEMORANDUM

To: Senate Committee on Appropriations, Attention: Mary Dietrich.

From: Stephen Redhead, Specialist in Public Health, Domestic Science Policy Division.

Subject: MSA Federal Legislation Offset.

Under Section X of the Master Settlement Agreement (MSA), annual payments to states are subject to a federal tobacco-legislation offset: If new federal legislation that requires tobacco companies to make payments (''settlement payments, taxes, or any other means'') to the federal government is enacted on or before November 30, 2002, and some portion of that money is made available to the states as (i) unrestricted funds, or (ii) earmarked for health care (including tobacco-related health care), those payments may be offset, dollar for dollar, from the annual payments to states.

S. Con. Res. 20 proposes federal legislation that would disallow the tobacco companies' federal income tax deduction for the MSA payments and use $1.4 billion of the resulting revenues to fund biomedical research at the National Institutes of Health (NIH). There is some concern that such legislation might lead to a reduction in the MSA payments to states by triggering the federal tobacco-legislation offset.

Although legislation disallowing a federal income tax deduction for tobacco settlement payments meets the Section X definition above, earmarking a portion of the funds for NIH research would not appear, by itself, to satisfy the criterion that money be ''made available'' to the states. NIH awards grants to individual researchers and research institutions under a variety of grant programs, but not to states.

S. Con. Res. 20 might very possibly lead to a reduction in state settlement payments because of the MSA's volume-of-sales adjustment, which links the payments to the number of packs of cigarettes sold. If the companies are disallowed the federal tax deduction, then they will have to increase prices to raise the necessary revenue to pay the taxes. The companies have already increased prices by 75 cents a pack over the past 2 years, which appears to have reduced consumption. If the additional price increase further depresses consumption, then under the volume-of-sales adjustment the states' payments will be reduced proportionately.

Mr. HARKIN. Mr. President, let me close by saying that we went on record 98–0 to double the NIH budget over the next 5 years. Last year, Senator SPECTER and I and others were able to put that 15-percent increase in there to get us on that road. This budget this year pulls the rug out from under that.

The people of America want us to invest in medical research. They want us to double the NIH budget. They believe it is important.

In a recent poll taken of the American people, more than 67 percent support doubling the research budget at NIH; 85 percent said it is important for us to maintain our leadership in medical research; 61 percent of the American people polled said they would be willing to pay $1 more a week in taxes to increase health research. The support is there.

There is no reason why the tobacco companies ought to be able to deduct from their Federal taxes the money that they are giving to the States in that settlement. They wrote it in that agreement, but that does not bind us.

This amendment does not violate the agreement. What it does is it saves the American taxpayers over $70 billion that they will have to pay to save the tobacco companies their money.

This amendment also saves Medicare—by putting this money into medical research to help solve the diseases of Alzheimer's, osteoporosis, arthritis, and diabetes. If you want to save Medicare, adopt the Specter amendment. If you want to save the taxpayers money, adopt the Specter amendment. If you want to save peoples' lives, adopt the Specter amendment.

Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. Five minutes 22 seconds.

Mrs. FEINSTEIN. Mr. President, today I am pleased to sponsor the amendment to increase funding for health research by $2 billion. I do so because we must confront disease as seriously as we confront war. This means we must support our brightest minds, we must have a clear battle plan and we must find the resolve to win the war against disease.

This amendment comes on the heels of several previous efforts. First, in 1997, the Senate adopted the Mack-Feinstein amendment 98 to 0, urging Congress to double the budget of the National Institutes of Health over 5 years. Second, last year, Congress gave the National Institutes of Health an increase of 15 percent, funding NIH at $16 billion, the first step toward doubling. Third, on February 2, when we learned that the President's FY 2000 budget proposed only a 2 percent increase, not even enough to keep up with inflation, I wrote the President and urging instead that NIH funding be doubled by 2004.

It is a sad comment on our nation that the National Institutes of Health in FY 1999 can only fund 31 percent of grant applications. grants. The National Cancer Institute can only fund 31 percent. This is less than one-third of applications worthy of funding. This low funding rate leaves a vast wealth of knowledge unobtained, unexplored, diseases not cured and not treated.

There are many scientifically promising areas of research to which these funds could be devoted. They include gaining a clearer understanding of neural development; improving identification of inherited mutations which contribute to cancer risk; better understanding the interplay between genetics and environmental risk factors; uncovering the causes of over 5,000 known rare diseases affecting over 20 million Americans.

In cancer, a special interest of mine, the President requests only a 2 percent increase in FY 2000. NCI Director Dr. Richard Klausner has said that with this minimal increase, NCI would fund 10 percent fewer grants, according to the February 12 Cancer Letter. The National Cancer Advisory Board said this budget will ''seriously damage the National Cancer Program.''

Last September, the Senate Cancer Coalition which I cochair, held a hearing for the Cancer March who said that cancer has reached epidemic proportions and if current rates continue, one quarter of our population will die from cancer. Because of the aging of the population, the incidence of cancer will reaching ''staggering proportions'' by 2010, with increase of 29 percent in incidence and 25 percent in deaths, at a cost of over $200 billion per year. They argued that these compelling statistics call for raising funding for cancer research to $10 billion by 2003, a 20 percent increase each year.

The National Cancer Institute has identified 5 promising areas of research in its FY 2000 ''bypass budget.'' They are as follows: (1) Cancer genetics, identify and characterize every major human gene predisposing to cancer. (2) Preclinical models of cancer, study genes and effects of alterations of them in animals ; (3) Diagnostic technologies, to improve the sensitivity of technologies to detect smaller numbers of tumor cells; (4) Better understanding the unique characteristics of cells and why it turns into a cancerous cell.

There are still many—too many—diseases for which we have no cure. This year, 1.2 million cases will be diagnosed this year and 563,100 Americans will die. But we spend one-tenth of one cent of every federal dollar on cancer research. The mortality rates for many cancers, like prostate, liver, skin and kidney, continue to increase. AIDS has surpassed accidents as the leading killer of young adults; it is now the leading cause of death among Americans ages 25 to 44. Diabetes and asthma are rising. 40,000 infants die each year from devastating diseases. Seven to 10 percent of children are learning disabled. Birth defects affecting function occur in 7% of deliveries or 250,000 of births.

The baby boom generation is getting older. Over the 30 years, the number of Americans over age 65 will double. As our population ages, we are seeing an increase in chronic and degenerative diseases like arthritis, cancer, osteoporosis, Parkinson's and Alzheimer's. For example, the 4 million people with Alzheimer's Disease today will more than triple, to 14 million, by the middle of the next century—unless we find a way to prevent or cure it. Health care costs will grow exponentially and we see that in part reflected in our budget debates over Medicare and Medicaid expenditures. The total annual cost of Alzheimer's today is $100 billion. By delaying the onset by 5 years, we can save $50 billion annually.

In January, we learned from the Institute of Medicine's study, The Unequal Burden of Cancer, that not all segments of our population benefit fully from our advances in understanding cancer. African-American males develop cancer 15 percent more frequently than white males. Stomach and liver cancers are more prevalent among Asian Americans. Cervical cancer strikes Hispanic and Vietnamese American women more than others. Many ethnic minorities experience poorer cancer survival rates than whites. American Indians have the lowest cancer survival rates of any U.S. ethnic group. This study reported that by 2050 there will be no majority population in the U.S. And our hearings of the Cancer Coalition have revealed that minorities are underrepresented in cancer clinical trials.

Discoveries from health research can reduce health care costs. Cancer costs the economy $104 annually; heart disease, $128 billion; diabetes, $138 billion. Research can cuts costs.. A delay in the onset of stroke could save $15 billion and a delay in the onset of Parkinson's disease could save $3 billion annually. For every $1.00 spent on measles/mumps/rubella vaccine, $21.00 is saved. For the diphtheria/tetanus/pertussis vaccine, $29 is saved. Reducing hip fractures, the cause of one in five nursing home admissions can cut nursing home costs by $333 million in one year alone. Delaying the onset of hearing impairment by 5 years in the 30 percent of adults age 65 to 75 who have impairment, can save $15 billion annually.

The United States is the world's leader in developing sophisticated treatments for illnesses and diseases, in making important medical discoveries and in improving human life expectancy. Yet, we are spending only three cents of every health care dollar spent in this country on health research. NIH's budget is less than one percent of the federal budget.

Funding NIH like a yoyo discourages the medical community from pursuing research. It is like a damper on ideas, on promising lines of scientific pursuit, that get snuffed out while being born. The National Academy of Sciences has said that we are not producing enough research scientists. That is in part due to the lack of assurance that health research has the priority it deserves.

We can do better.

The public is with us. A 1998 Research America poll found that most Americans support doubling funding for medical research in 5 years and over 60 percent of people in 25 states said they are willing to contribute another $1.00 per week in taxes for health research.

Mr. President, when President Franklin Roosevelt dedicated the new National Institutes of Health research facility on October 31, 1940 in the middle of World War II, he said, ''We cannot be a strong nation unless we are a healthy nation. And so we must recruit not only men and materials but also knowledge and science in the service of national strength . . . I dedicate [this Institute] to the underlying philosophy of public health; to the conservation of life; to the wise use of the vital resources of the nation.'' That challenge is no less important today as it was in 1940.

I believe the public wants us to launch a war on disease and that the public sees medical research as an important priority of their federal government. I urge passage of this amendment.

Mr. HARKIN. Mr. President, I reserve the remainder of the time for Senator SPECTER in the morning, and I yield the floor.

The PRESIDING OFFICER. Who seeks time?

AMENDMENT NO. 159

(Purpose: To express the sense of the Senate on TEA–21 funding and the States)

Ms. COLLINS. I ask unanimous consent that the pending amendment be set aside and send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] proposes an amendment numbered 159.

Ms. COLLINS. 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 end of title III, insert the following:

SEC. . SENSE OF THE SENATE ON TEA–21 FUNDING AND THE STATES.

(a) FINDINGS.—The Senate finds that—

(1) on May 22, 1998, the Senate overwhelmingly approved the conference committee report on H.R. 2400, the Transportation Equity Act for the 21st Century, in a 88–5 roll call vote;

(2) also on May 22, 1998, the House of Representatives approved the conference committee report on this bill in a 297–86 recorded vote;

(3) on June 9, 1998, President Clinton signed this bill into law, thereby making it Public Law 105–178;

(4) the TEA–21 legislation was a comprehensive reauthorization of Federal highway and mass transit programs, which authorized approximately $216,000,000,000 in Federal transportation spending over the next 6 fiscal years;

(5) section 1105 of this legislation called for any excess Federal gasoline tax revenues to be provided to the States under the formulas established by the final version of TEA–21; and

(6) the President's fiscal year 2000 budget request contained a proposal to distribute approximately $1,000,000,000 in excess Federal gasoline tax revenues that was not consistent with the provisions of section 1105 of TEA–21 and would deprive States of needed revenues.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this resolution and any legislation enacted pursuant to this resolution assume that the President's fiscal year 2000 budget proposal to change the manner in which any excess Federal gasoline tax revenues are distributed to the States will not be implemented, but rather any of these funds will be distributed to the States pursuant to section 1105 of TEA–21.

Ms. COLLINS. Mr. President, I rise to offer a sense-of-the-Senate resolution to give the Senate the opportunity to express its clear commitment to ensuring that Federal gasoline tax revenues in fiscal year 2000 be distributed to the 50 States in accordance with the formula in the 1998 highway bill, the Transportation Equity Act for the 21st Century—or TEA–21 bill, as it is frequently called.

Mr. President, let me explain the action that has prompted my amendment and my concern. President Clinton's fiscal year 2000 budget contains a proposal which essentially changes the gas tax rules in the middle of the game. The President would distribute approximately $1 billion in higher-than-expected Federal gas tax revenues to a variety of transportation projects, rather than following the formula in the current law. Instead of distributing these extra moneys to the States, as required by the 1998 highway bill, enacted only 9 months ago, the President would divert these funds to other projects.

To be precise, section 1105 of last year's highway bill expressly provides that any additional Federal gas tax revenues above the levels envisioned in the act should be distributed to 50 States under the highway bill's formulas. These funds are extremely important to the States. They support a variety of important transportation programs authorized by the TEA–21 bill.

It now appears that the Federal Government will receive roughly $1.5 billion in extra Federal gasoline tax revenues next year. The President, however, proposes to take $1 billion of these extra revenues and spend them on a variety of Federal transportation programs, contravening current Federal law.

Mr. President, if the full $1.5 billion were allocated to the States under existing law, the State of Maine would receive roughly $7 million in much needed additional highway funds in fiscal year 2000. Under the President's proposal, however, which diverts $1 billion of these gasoline tax funds, the State of Maine would receive only $3.4 million in extra highway funds. This is a reduction of more than 50 percent in the funds that would otherwise be allocated to the State of Maine.

In short, if President Clinton's proposal were implemented, the State of Maine would lose approximately $3.6 million in critically needed Federal highway funds next year. The President's plan is unfair to Maine, it is unfair to the other States, and it should not be implemented. It changes course midstream in a way that harms our States' ability to meet their transportation needs. States should be able to rely on the Federal Government to abide by the commitment that it made only last May.

Mr. President, I am very pleased that the Budget Committee's report accompanying the budget resolution states as follows:

The committee-reported resolution does not assume the President's proposal to change the distribution of additional Highway Trust Fund revenues under TEA–21.

My sense-of-the-Senate resolution simply clarifies this language and reiterates the intent behind it. That is, that we should follow the dictates of the 1998 highway bill and allow any and all extra Federal gas tax moneys to go to the States under the terms and the conditions of the highway law.

Approving the sense-of-the-Senate resolution would allow the Senate to clearly express its disapproval of the President's plan. We should not change the rules. We should follow the allocation in the highway bill. We should keep the promise that we made just last May.

I yield the floor.

Mr. DODD. I am listening to the argument the Senator has made, and I am curious. Is there a chart or list that would inform us how our States would be doing under this different formula of which we ought to be aware?

Ms. COLLINS. I am happy to attempt to produce that information for the Senator from Connecticut.

It is a concern of many States that they would receive less money under the President's budget than they would receive if the highway bill were allowed to just work under current law.

Mr. DODD. Mr. President, if my colleague would yield further, coming from the Northeast and New England, we have recently seen stories in newspapers of gas prices going up in the peak travel season for our States. I think it may be national in scope, but we feel it particularly in the Northeast.

I commend my colleague from Maine for making this proposal. I think it can be a great help, particularly when we find the battle over some of the formulas, and where need exists. Certainly the Senator from Maine has a great need with a lot of roads, a lot of highways, and a relatively small population.

It is an important amendment. I commend her for that. I might join her as a cosponsor in it.

Ms. COLLINS. I very much welcome the support of the Senator from Connecticut.

Mr. LAUTENBERG. Mr. President, it is my understanding that in terms of the manager, the chairman of the Budget Committee, this is acceptable. As far as I am concerned, it would be acceptable on our side. Therefore, it is fair to say we will accept it.

Ms. COLLINS. I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. HUTCHINSON). The question is on agreeing to the amendment.

The amendment (No. 159) was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Ms. COLLINS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. COLLINS. I thank the chairman and the ranking minority member of the Budget Committee for their cooperation.

Mr. DODD. I want to take note. I think it was my persuasive arguments that persuaded the ranking Democrat to support the amendment.

AMENDMENT NO. 160

(Purpose: To increase the mandatory spending in the Child Care and Development Block Grant by $7.5 billion over five years, the amendment reduces the resolution's tax cut and leaves adequate room in the revenue instructions for targeted tax cuts that help families with the costs of caring for their children, and that such relief would assist all working families with employment related child care expenses, as well as families in which one parent stays home to care for an infant)

Mr. DODD. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk and ask for its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, and Mr. JEFFORDS, Mr. KENNEDY, Mr. WELLSTONE, Mrs. MURRAY, Mr. BINGAMAN, Mr. JOHNSON, Mr. KOHL, and Mr. KERRY, proposes an amendment numbered 160.

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

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

The amendment is as follows:

On page 3, strike beginning with line 5 through page 5, line 14, and insert the following:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2000: $1,401,979,000,000.
Fiscal year 2001: $1,435,931,000,000.
Fiscal year 2002: $1,455,992,000,000.
Fiscal year 2003: $1,532,513,000,000.
Fiscal year 2004: $1,586,965,000,000.
Fiscal year 2005: $1,650,257,000,000.
Fiscal year 2006: $1,683,438,000,000.
Fiscal year 2007: $1,737,646,000,000.
Fiscal year 2008: $1,807,517,000,000.
Fiscal year 2009: $1,870,515,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 2000: $0.
Fiscal year 2001: −$6,716,000,000.
Fiscal year 2002: −$52,284,000,000.
Fiscal year 2003: −$30,805,000,000.
Fiscal year 2004: −$47,184,000,000.
Fiscal year 2005: −$60,639,000,000.
Fiscal year 2006: −$107,275,000,000.
Fiscal year 2007: −$133,754,000,000.
Fiscal year 2008: −$148,692,000,000.
Fiscal year 2009: −$175,195,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2000: $1,426,931,000,000.
Fiscal year 2001: $1,457,294,000,000.
Fiscal year 2002: $1,488,477,000,000.
Fiscal year 2003: $1,562,013,000,000.
Fiscal year 2004: $1,614,278,000,000.
Fiscal year 2005: $1,667,843,000,000.
Fiscal year 2006: $1,699,402,000,000.
Fiscal year 2007: $1,754,567,000,000.
Fiscal year 2008: $1,815,739,000,000.
Fiscal year 2009: $1,875,969,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2000: $1,408,292,000,000.
Fiscal year 2001: $1,435,931,000,000.
Fiscal year 2002: $1,455,992,000,000.
Fiscal year 2003: $1,532,513,000,000.
Fiscal year 2004: $1,584,066,000,000.
Fiscal year 2005: $1,640,426,000,000.
Fiscal year 2006: $1,668,608,000,000.
Fiscal year 2007: $1,717,883,000,000.
Fiscal year 2008: $1,782,697,000,000.
Fiscal year 2009: $1,842,699,000,000.

On page 28, strike beginning with line 13 through page 31, line 19, and insert the following:

Fiscal year 2000:
(A) New budget authority, $244,390,000,000.
(B) Outlays, $248,088,000,000.
Fiscal year 2001:
(A) New budget authority, $251,873,000,000.
(B) Outlays, $257,750,000,000.
Fiscal year 2002:
(A) New budget authority, $264,620,000,000.
(B) Outlays, $267,411,000,000.
Fiscal year 2003:
(A) New budget authority, $277,886,000,000.
(B) Outlays, $277,674,000,000.
Fiscal year 2004:
(A) New budget authority, $287,576,000,000.
(B) Outlays, $287,384,000,000.
Fiscal year 2005:
(A) New budget authority, $299,942,000,000.
(B) Outlays, $300,126,000,000.
Fiscal year 2006:
(A) New budget authority, $306,155,000,000.
(B) Outlays, $306,593,000,000.
Fiscal year 2007:
(A) New budget authority, $312,047,000,000.
(B) Outlays, $312,948,000,000.
Fiscal year 2008:
(A) New budget authority, $325,315,000,000.
(B) Outlays, $326,766,000,000.
Fiscal year 2009:
(A) New budget authority, $335,562,000,000.
(B) Outlays, $337,104,000,000.

On page 42, strike lines 1 through 5 and insert the following:

(1) to reduce revenues by not more than $0 in fiscal year 2000, $136,989,000,000 for the period of fiscal years 2000 through 2004, and $762,544,000,000 for the period of fiscal years 2000 through 2009; and

PRIVILEGE OF THE FLOOR

Mr. DODD. Mr. President, I ask unanimous consent that Amy Sussman, a fellow in my office, be allowed privileges of the floor.

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

Mr. DODD. I ask unanimous consent that my colleagues Senator JEFFORDS of Vermont, Senator KENNEDY, Senator KOHL, Senator WELLSTONE, Senator MURRAY, Senator BINGAMAN, Senator JOHNSON, and Senator KERRY of Massachusetts be added as cosponsors to this amendment.

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

Mr. DODD. Mr. President, many of my colleagues may know that 9 years ago my colleague from Utah and I offered and authored the Child Care and Development Block Grant Act of 1990.

Year after year, we have talked about this important program and about what a difference we think it has made in the lives of working families.

Any Member of this body who has spent time in his or her State over the past 2 months enters this debate about budget priorities knowing with absolute certainty that very few issues weigh as heavily on the minds of parents across this country than how their children are being cared for. Parents worry they can't afford to take time away from work to be with their children. When they must work, they worry that the child care they need will be unavailable, unaffordable, or unsafe. It is a constant daily struggle for parents with young children in this country. It is a constant source of concern for parents all across the Nation.

Helping these families does not require inventing a slew of new programs. We already have the Child Care and Development Block grant, a program that works and that enjoys strong bipartisan support.

This block grant is a model of flexibility. It provides direct financial assistance to help families pay for child care. It does not dictate where that child care must be provided. Parents can choose a child care center, they can have a home-based provider, a neighbor, a church, a relative, whatever they think is best for their child.

In our opinion, this is an excellent program. In fact, its only downside is that the level that it is currently funded at reaches far too few families in this country. As a result of underfunding, the child care block grant—now almost a decade old—can only serve 1 out of every 10 children. This graph highlights that: Out of every 10 children who are eligible, only 1 today can actually take advantage of the child care block grant.

Consequently, States have had to employ various strategies to ration the subsidies that these block grants provide.

Almost all States without exception have lowered their income-eligibility requirements far below the federally allowed level—85 percent of the State's median family income, or approximately $35,000.

I notice the presence of our colleague from Ohio, and I know as a former Governor how he wrestled with these issues. I think he knows very graphically what I am about to describe for other colleagues. The Presiding Officer was a Governor and he can appreciate this as well.

Because of underfunding, over 20 states have cut off all assistance to families of three earning over $25,000. Fourteen States have cut assistance for families earning over $20,000. Seven States are even more stringent: Wyoming, Alabama, Missouri, Kentucky, Iowa, South Carolina, and West Virginia cut off subsidies for families earning more than $17,000 a year—half the income level that is allowed for under Federal law.

What is the effect of this? What happens? In some States, subsidies are only provided to parents on or moving off welfare. Working families out there living on the margin can't get any help. This is not what I think any of us intended to have happen.

This graph shows that 52 percent of the child care needs of working families cannot be met with current funding schemes. They are either locked out by strict State income eligibility requirements, they are locked out by long waiting lists, or they are locked out by subsidies that are too low to pay for the child care they need.

Even with these strict income eligibility requirements, as I mentioned, many States have long waiting lists. How bad are the waiting lists? In California, 200,000 children are on waiting lists for child care slots. In the State of Texas, it is 36,000; Massachusetts, 16,000; Pennsylvania, almost 13,000; Alabama, 19,000; Georgia, 44,500.

Other States ration their limited child care dollars by paying child care providers far below the market rate—again, trying hard to guard these dollars carefully.

For example, my own State of Connecticut has been unable to raise the payment rates for child care providers for 7 years. Even during a robust economy, we have not been able to increase the pay of child care providers because of the lack of funding in the child block grant program. It isn't hard to see that paying unrealistically low rates makes providers reluctant to accept subsidized children. It also isn't hard to see that this practice jeopardizes the ability of families who do get assistance to find good quality child care.

When you look at the astronomical costs of child care, you can see how all of these rationing practices put families in a crisis.

Let me draw the attention of my colleagues to this last chart here. These are annual child care fees across the country for children of selected ages. I have picked a cross section, with some of the highest and some of the less costly States, to give examples. I have broken it down by the cost of an infant, which is the highest child care cost, a 3-year-old, and a 6-year-old. The highest-cost State is Massachusetts. In Massachusetts, to take care of a 1-year-old child, the annual cost is $11,860; for a 3-year-old, it is $8,840; for a 6-year-old, it is $6,660. If you go down the list, I have done North Carolina, Florida, Minnesota, Texas, Colorado, and California.

Consider these numbers for a minute and recall what I showed you about how States have lowered the financial eligibility criteria down to as low as $17,000. It means that if you live in one of the states with strict income eligibility, you might earn $21,000 and not qualify for the subsidy, but still be paying $8,580 for the care of an infant. If you make $21,000 and have an $8,500 yearly child care bill—you are getting close to paying 50 percent of your gross income to care for one child.

If my colleagues would like, I will have this information before the vote tomorrow for each State to give Members some idea on what the waiting lists are like, to get some sense of how important an issue this is for the families living in your States.

Without help in paying the $4,000 to $11,000 a year that child care can cost, low-income working families are forced into the untenable position of placing their children in an unsafe, makeshift child care arrangement or forgoing employment.

Unfortunately, what we have before us is a budget that chooses to ignore this problem. I say, with all due respect, to those who have to draft these budgets, what we have before us is a budget that disregards these needs.

We are being asked to endorse a budget that doesn't just fail to provide for an increase in child care funding but in fact would cut discretionary child care spending by $122 million in fiscal year 2000—cutting off assistance to some 34,000 children in the first year, and up to 79,000 by the fifth year of the program—in order to pay for tax cuts for the more affluent citizens in our society.

I have heard my colleagues all across this Chamber repeatedly say that they only want to return the surplus to working families. That is hard to argue. But that is what this amendment does. Working people need this.

This amendment provides an additional $7.5 billion over 5 years for the Child Care and Development Block Grant, which goes directly to families to help them pay for child care—by a church, by neighbors, by family members, We pay for this funding increase by reducing the proposed $800 billion tax cut by the same $7.5 billion over 5 years. I don't think that is too big a chunk out of that for a very serious program which needs help.

We also make a non-binding statement that if there is a tax cut, we want a tax credit for child care that helps all working families as well as all parents who stay home to care for an infant.

That is a critically important issue if you are in the working poor category. If you are down at the $15,000 to $25,000 income level, a non-refundable tax credit is not very valuable to you because you probably have little or no tax bill. Without making the credit refundable, you don't get much benefit.

I hope, Mr. President, that my colleagues will seriously consider this amendment. Too often these amendments come up and people sort of blow by them, and just march in lockstep.

If we don't adopt this amendment, we will be very limited in the type of child care funding increases we can seek this year. If it is not in the budget as part of a mandatory spending, I'm essentially closed out for the year.

Others have said in the past, ''Don't make it mandatory. Take your best shot in the discretionary spending and fight over appropriations that.'' I have tried that over the years, I say to my colleagues. You just don't win. And this year will be harder than ever because, as you know, we have about a 12 percent across-the-board cut in non-defense discretionary programs. For me to get $7.5 billion over 5 years in a discretionary nondefense appropriations battle, is not going to happen.

You have to ask yourself a tough question: Regarding that $800 billion tax cut, as important as it is to many of you, would you mind reducing it by $7.5 billion over 5 years to try to make a difference here for working families who need child care?

You also have to ask if tax credits should go to all working families and stay-at-home parents. Low-income families in both these situations make tough choices and they ought to have the backing of their representatives in Congress, in my view.

I ask my colleagues who are here this evening, or others who may be watching the debate, before the vote tomorrow, to please take a hard look at this amendment and see if you can find a way to be supportive of it. This is the only opportunity we will have to really deal with this issue, and unless it is included in this budget resolution, it is essentially off the table. That is it for the 106th Congress. This is our one opportunity to do something to help these families.

Mr. KENNEDY. Mr. President, Senator DODD and I offer this amendment to do more to help working families secure quality child care.

Child care is one of the most important challenges facing the Nation. The need to improve the affordability, accessibility, and quality of child care is indisputable. Every day, millions of parents go to work and entrust their children to the care of others. An estimated 13 million children under 6 years old are regularly in child care.

Every working parent wants to be sure that their children are safe and well cared for. Yet child care can be a staggering financial burden, consuming up to a quarter of the income of low-income families. Child care can easily cost between $4,000 and $10,000 for one child. But about half of all young children live in families with incomes below $35,000. And two parents working full-time at the minimum wage earn only $21,400. These parents—working parents—constantly must choose between paying their rent or mortgage, buying food, and being able to afford the quality care their children need.

Existing child care investments fall far short of meeting the needs of these parents and their children. Today, 10 million low-income children theoretically qualify for services under current Federal child care programs. But because of lack of funding, only one in ten of these children actually receive it. The need is great and a ratio like that is unacceptable.

Making sure that all children receive quality care especially in the early years, is one of the best possible investments in America's future. We know the enormous human potential that can be fulfilled by ensuring that all children get adequate attention and stimulation during the first three years of life. Quality child development increases creativity and productivity in our workforce. There is less need for remedial education and less delinquency. Safe, reliable care offers stable relationships and intellectually stimulating activities. Child care that fulfills these goals can make all the difference in enabling children to learn, grow, and reach their potential. If we are serious about putting parents to work and protecting children, we must invest more in child care help for families.

President Clinton has put families first by giving child care the high priority it deserves. Senate Democrats have proposed an increase in our commitment to child care by at least $7.5 billion in mandatory spending over the next 5 years, almost doubling the number of children served from 1 million to 2 million in 2005.

The benefits from investing in children are substantial and many. A lifetime of health costs are lower when children are supervised, educated about their health, and taught to develop healthy habits. Parents' productivity improves when they know that their children are well cared for. Education costs decrease when children enter school ready to learn. By expanding child care and child development programs, we invest in children, their future, and the country's future.

Yet this budget resolution allots no funds for increased child care and development programs. In fact, the Republican budget slashes funds for critical programs for children. It denies 100,000 children the Head Start services that help them come to school ready to learn. It makes it impossible to reach the goal of serving a million children in Head Start by 2002. The message contained in the budget resolution is clear—children are not a priority.

The Nation's children and families deserve a budget that invests in the right priorities—not the priorities of the right wing. This Republican budget makes children a non-priority—and gives high priority to an $800 billion tax cut for the wealthy. Those priorities are wrong for children, wrong for Congress, and wrong for the Nation.

Now, when we have a large national surplus and a strong economy, it is time to invest in our most valuable resource—our children. I urge my colleagues to support this amendment.

Mr. VOINOVICH addressed the Chair.

Mr. REED. Mr. President, parliamentary inquiry: Are we going back and forth to each side?

The PRESIDING OFFICER. There is no order. However, there is an amendment pending.

Mr. REED. I ask unanimous consent to lay the amendment aside. My amendment is at the desk.

The PRESIDING OFFICER. I think it is informal to go back and forth.

Mr. REED. I withdraw my unanimous consent request.

The PRESIDING OFFICER. The Chair thanks the Senator.

The Senator from Ohio.

Mr. VOINOVICH. Mr. President, I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENT NO. 161

(Purpose: Use on-budget surplus to repay the debt instead of tax cuts.)

Mr. VOINOVICH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH] proposes an amendment numbered 161.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. VOINOVICH. Mr. President, we are debating a budget resolution in the Senate that will provide an outline for our Nation's spending for the next fiscal year. With the assurances of the Republican leadership, we will be sticking to our guns on the spending caps that we agreed to in the 1997 balanced budget agreement. And we will lock away the Social Security trust funds in a lockbox.

Earlier today, the Senate reaffirmed its commitment to Social Security, voting unanimously 99 to 0 that current and future Social Security trust funds should remain only for Social Security. It was the right thing to do. But incredibly, President Clinton has threatened to veto a similar measure, the Abraham-Domenici Social Security lockbox bill. It is unconscionable for the President to undermine the efforts of Congress to save Social Security just so he can use the Social Security surplus to pay for his pet projects.

As cosponsor of the lockbox legislation, I believe it represents a golden opportunity to show that Washington is serious about keeping its word to our seniors and future retirees. Since the Senate voted 99 to 0 this afternoon, I expect that all of my Democratic colleagues will vote for the Social Security lockbox bill when it comes to the floor and urge the President not to veto this legislation.

The Senate meanwhile will have to make some tough budget choices in fiscal year 2000, and we will have to do more with less. It is not going to be easy, because we have so many competing demands chasing so few dollars—demands such as military pay and readiness, education, and perhaps Medicare. And, yes; now that the President has started to bomb Kosovo we may need a lot more money to pay for a brand new war.

I would like to remind my colleagues this evening that the cost of that war is coming out of the Social Security surplus. The money to pay for that war is being paid for out of the Social Security surplus.

I also recognize that we may have to deal with emergencies as they occur. I applaud the chairman of the Budget Committee for drafting a resolution that addresses those needs. Under his leadership, Senator DOMENICI has acknowledged that we must reserve $131 billion, or what I would like to call a rainy day fund, that may only be used—let me stress—may only be used for Medicare, agriculture, Federal emergencies, or debt reduction.

While the chairman and I agree on that point, I do respectfully have a difference of opinion on using the onbudget surplus for tax cuts.

The amendment that I am offering is a simple one. It takes the tax cuts proposed in the budget resolution and uses the money to pay down the debt. Let me say again, under my amendment, we would take the $778 billion in tax cuts and use the money to pay down the debt. If my amendment is adopted and we use the onbudget surplus for debt reduction, then publicly held debt will drop from $3.68 trillion today to $960 billion by the year 2009.

Mr. President, we can't let this opportunity pass by, because if we look at this chart, we can see how vital it is to bring down our debt. This is what our debt was back in 1940. As you will notice, at the end of the Vietnam war, this debt skyrocketed, like Senator Glenn going up in the STS–95. Once we commingled the Social Security surplus with the general funds of this country, we started to use that surplus and borrow money to pay for tax reductions and spending increases. We now have increased that debt. When I was mayor of the city of Cleveland back in 1979, it was $750 billion at that time. It is $5.6 trillion today, almost a 600-percent increase in the national debt.

Why should we do this rather than use this money to reduce taxes?

First of all, if we pay down the debt, we are going to decrease our massive interest payments on the national debt.

No. 2, we will expand the economy.

No. 3, we will lower interest rates for families.

No. 4, we are going to have less need for future tax hikes. It will decrease the overall interest paid on the debt.

Right now, this is hard to believe, but we are spending over $600 million per day—do you hear me—per day, just to service the interest on the national debt.

Let's look at what that means. Most of the American people are not aware of what is going on here. Here are the entitlements, 54 percent; net interest, look at this, 14 percent of the money going for net interest; national defense, 15 percent; and nondefense discretionary, 17 percent.

Look at what has happened. When Janet, my wife, and I got married back in 1962, we were spending 6 cents per dollar on the interest. Today it is 14 cents.

The next chart, let's look at what that interest is doing. The interest on the national debt, as you can see, is a little bit below defense. But look at Medicare. We are spending more money today in the United States of America on the interest on national debt than we are on Medicare. And for education, we are spending five times more money on interest than we are on education. And for medical research, we are spending 15 times more money on interest than on the National Institutes of Health. That is what is going on today.

No. 2, it will expand the economy.

No. 3, it will lower the interest rate for individual families.

As Alan Greenspan attests, a decreasing national debt will bolster a strong economy and allow individual interest rates to fall.

Everybody who is an expert—talk to Dan Crippen, of the Congressional Budget Office, or David Walker, who is the new Comptroller General at GAO. Ask them: If you have a surplus, what should you do with it? They will come back and say, ''Reduce the national debt.''

These lower interest rates give middle-class Americans the ability to purchase homes. That is what keeps interest rates down. They are able to refinance mortgages and buy automobiles. The savings gives them some real money to either save, invest, or put it back into the economy.

With the low-interest rates that we have enjoyed, over 17 million Americans have refinanced their homes since 1993. Just think of the people that you know who have refinanced their homes because we have kept interest rates down. If we pay off or reduce the national debt, those rates will continue to come down. These homeowners have saved millions of dollars in mortgage payments per year. In fact, one of my staff members refinanced his modest duplex home in 1998. By refinancing, his yearly savings will be $2,160 a year. That is more than $50,000 he is going to save over the 25 years left on his mortgage.

If we could lower interest rates by 1 percentage point, an average family buying a home could save over $25,000 on a typical mortgage. Mr. President, that is a win-win for the American people. We will have less debt over our heads, and Americans will have more of their own money in their pockets in order to be able to buy things that they need for their families.

Finally, the fourth reason is that if we reduce the national debt, it will lower the amount of taxes necessary to run the Government. As the debt decreases, so does the overall cost of running the Government. This would allow us to maintain the current level of Government services and accommodate an increase in the use of those services by the baby boomers. It would also lessen the demand for future tax hikes that would result in a de facto tax cut for American people. Just think if we could bring the amount of the net interest payments down, that money would be available for other things we need to spend money on. Or, in the alternative, the opportunity to reduce taxes.

From a public policy point of view, let's be serious in terms of our debt. You have a 10-year projection on an $800 billion reduction in taxes. We are going to have a tough time balancing the budget this year. We may not have a surplus. Next year we will be lucky to have a surplus. One thing we do know is if we use the money to reduce the debt and we do not spend it on more programs, or we do not use it to reduce taxes, we will not be in the position, if the economy doesn't go the way we expect it to, to have to go back to the American people and say: Folks, we gave you a tax cut, but we are going to have to take it back because our projections were wrong. Folks, we are spending money on programs, and by the way, we are going to have to cut those programs because these 10-year projections we have are not working out.

I want to say one thing and I think it is important. Mr. President, 5-year projections may be reasonable; 10-year projections, if you talk to CBO, they would tell you they could swing $300 billion over this period of time. I think what we need to do is understand we have a tough budget situation that, if we lock up Social Security and do not touch it as we have in the past, we are going to have a couple of tough years ahead of us. Rather than projecting out 10 years and talking about what we are going to be doing with the money, I think if we do have that additional money, let's pay down the national debt.

The last thing I would like to say is this: I just had a new granddaughter last week, Veronica Kay Voinovich. While I was campaigning in Ohio last year I talked about my first grandchild, Mary Faith. Her gift, when she was born on December 26, 1996, from this Government, was a bill for $187,000, interest on a debt that was racked up before her life, on something that she had nothing to do with. And we are asking her to pay for it. I think it is criminal. I think it is criminal that we have not been willing to pay for the things that we wanted, that we borrowed the money, and we have had an attitude: We have ours, let them worry about theirs.

That is not the legacy that was left to me and I do not want that legacy for my granddaughters or for the other grandchildren here in the United States of America.

We have a wonderful opportunity. For the first time, we can see the light to really do something that is responsible in dealing with this budget to get ourselves back on track, so going into the next century, the next 10 years are going to be good years for our country.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I take time from what would normally be the opposition. I want to take this opportunity to say to the Senator from Ohio that we think that is pretty clear thinking. Paying down the debt—he is right. I heard his remarks. He recounts what we have heard from the economists, Greenspan included, about the most important way to get our fiscal house in order and that is to pay down the debt. If we keep going like things are projected, we could be through with public debt in about 15 years.

We would be, within 15 years, at the debt level in 1917. And no, I don't remember it; I have read about it.

But within a couple of years thereafter we could be out of public debt, which would be such a bonus for all of our succeeding generations, including our grandchildren. I congratulate the Senator. Is this his second grandchild? The second. One of mine, my 3-year-old grandchild, was watching television tonight and he said to his mother, ''Papa looks mad.'' And then he said, ''No, I think papa is happy.''

Anyway, we do it for them. I think the amendment of the Senator is a very positive amendment and I hope it will get full support.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I ask unanimous consent to lay aside the pending amendment to consider my amendment which is at the desk.

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

AMENDMENT NO. 162

Mr. REED. I have an amendment at the desk and ask it be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. REED], proposes an amendment numbered 162.

Mr. REED. 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:

On page 3, strike beginning with line 5 through page 5, line 14, and insert the following:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2000: $1,401,979,000,000.
Fiscal year 2001: $1,438,628,000,000.
Fiscal year 2002: $1,461,410,000,000.
Fiscal year 2003: $1,538,283,000,000.
Fiscal year 2004: $1,592,543,000,000.
Fiscal year 2005: $1,656,146,000,000.
Fiscal year 2006: $1,689,262,000,000.
Fiscal year 2007: $1,743,602,000,000.
Fiscal year 2008: $1,813,532,000,000.
Fiscal year 2009: $1,876,549,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 2000: $0.
Fiscal year 2001: −$4,019,000,000.
Fiscal year 2002: −$46,866,000,000.
Fiscal year 2003: −$25,035,000,000.
Fiscal year 2004: −$41,606,000,000.
Fiscal year 2005: −$54,750,000,000.
Fiscal year 2006: −$101,451,000,000.
Fiscal year 2007: −$127,798,000,000.
Fiscal year 2008: −$142,677,000,000.
Fiscal year 2009: −$169,161,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2000: $1,433,486,000,000.
Fiscal year 2001: $1,462,731,000,000.
Fiscal year 2002: $1,494,665,000,000.
Fiscal year 2003: $1,567,714,000,000.
Fiscal year 2004: $1,619,458,000,000.
Fiscal year 2005: $1,673,026,000,000.
Fiscal year 2006: $1,704,594,000,000.
Fiscal year 2007: $1,759,769,000,000.
Fiscal year 2008: $1,820,952,000,000.
Fiscal year 2009: $1,881,193,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2000: $1,408,292,000,000.
Fiscal year 2001: $1,438,628,000,000.
Fiscal year 2002: $1,461,410,000,000.
Fiscal year 2003: $1,538,283,000,000.
Fiscal year 2004: $1,589,644,000,000.
Fiscal year 2005: $1,646,315,000,000.
Fiscal year 2006: $1,674,432,000,000.
Fiscal year 2007: $1,723,839,000,000.
Fiscal year 2008: $1,788,712,000,000.
Fiscal year 2009: $1,848,733,000,000.

On page 21, strike beginning with line 20 through page 23, line 11, and insert the following:

(9) Community and Regional Development (450):

Fiscal year 2000:
(A) New budget authority, $11,898,000,000.
(B) Outlays, $10,273,000,000.
Fiscal year 2001:
(A) New budget authority, $9,141,000,000.
(B) Outlays, $10,931,000,000.
Fiscal year 2002:
(A) New budget authority, $9,077,000,000.
(B) Outlays, $10,919,000,000.
Fiscal year 2003:
(A) New budget authority, $9,243,000,000.
(B) Outlays, $10,232,000,000.
Fiscal year 2004:
(A) New budget authority, $9,217,000,000.
(B) Outlays, $9,694,000,000.
Fiscal year 2005:
(A) New budget authority, $9,213,000,000.
(B) Outlays, $9,121,000,000.
Fiscal year 2006:
(A) New budget authority, $9,219,000,000.
(B) Outlays, $8,755,000,000.
Fiscal year 2007:
(A) New budget authority, $9,223,000,000.
(B) Outlays, $8,751,000,000.
Fiscal year 2008:
(A) New budget authority, $9,232,000,000.
(B) Outlays, $8,739,000,000.
Fiscal year 2009:
(A) New budget authority, $9,237,000,000.
(B) Outlays, $8,722,000,000.

On page 42, strike lines 1 through 5.
Change $142,034,000,000 to $117,526,000,000.
Change $777,587,000,000 to $713,363,000,000.

Mr. REED. Mr. President, this evening I rise to offer an amendment along with Senator SARBANES, Senator KERRY of Massachusetts, and Senator MURRAY, to restore funding for regional development programs to the levels that are set forth in the President's budget. Unfortunately, the budget resolution which we are considering today would reduce the funding for community and regional development programs by $88.7 billion over 10 years. This is compared to the President's budget request.

For example, in fiscal year 2000, spending for community and regional development programs would be reduced from $11.9 billion to $5.3 billion, a cut of 55 percent. In fiscal year 2001, spending for these programs would be reduced from $9.1 billion to $2.7 billion, a cut of 70 percent.

Then, between the years 2002 and 2009, spending reductions each year are approximately 78 percent below the President's request. In effect, this budget before us would eviscerate community and regional development programs. These programs are at the heart of our efforts to invest in America, in our cities, in our rural areas, and to do so in a way that gives maximum flexibility to local mayors, Governors, and community officials.

My amendment would increase spending for community development programs by $88.7 billion over these 10 years to essentially meet the President's projections. It would be offset by reducing the amount of tax cuts, currently $778 billion, contained in this budget resolution. My amendment not only restores funding for community and regional development, it will still leave approximately $700 billion for tax cuts.

I am deeply troubled by these cuts in community development programs because they will undermine the progress that our cities and rural areas have been making over the last several years. In fact, in many cities there is an urban renaissance. Where they are beginning to clean up blighted areas, they are beginning to attract new investment in the center cities. They are beginning to develop and sustain a mature culture and the arts. All of this is a result of investments through many of these programs which stand to lose out tremendously in this proposed budget resolution.

One of the indications of a reviving urban area in the United States is the fact that crime, violent crime particularly, has fallen more than 21 percent since 1993, and property crimes have dropped to the lowest point since 1973. I argue this is not simply the result of better police activity. This is because the cities are now able to reinvest and reinvigorate their communities, their neighbors. In so doing, they give positive incentives and positive hope for people.

All this is happening. And all of this will stop happening quite dramatically if we make such a devastating cut in community development and regional development programs.

Let me suggest the particular programs that would be affected by these massive cuts. First is the Community Development Block Grant Program; then there is the section 108 program loans for cities and communities; there is the Economic Development Administration and their grants to States and communities; there is FEMA disaster assistance, which is part of this program; then there is brownfield redevelopment programs, which help aid the remediation of environmentally troubled areas so they can be redeveloped for use by cities and communities; and then there is the lead hazard reduction grants, which are a critical problem in many parts of this country, particularly urban areas; then there is the community development financial institutions fund; the Neighborhood Reinvestment Corporation; and the Rural Community Advancement Program. All of these programs would see devastating cuts.

Let me for a moment talk about some of the particular programs that are subject to this very threatening budget resolution. First is the Community Development Block Grant Program. We are all familiar with this program. It provides grants to States and to communities on a formula basis, the type of programmatic initiatives for new housing and community development.

One of the virtues of this program, one of the reasons it is embraced by both sides of the aisle, conceptually, is the fact that it gives flexibility to the States and to the cities to decide how they want to use these funds. It is not a mandate from Washington. It is not a categorical program that makes them jump through all sorts of hoops. It gives them the flexibility to meet the demands that they deem most critical.

These funds have been used to reconstruct and rehabilitate housing and provide homeownership assistance and opportunity. In fact, between 1994 and 1996, over 640,000 housing units have been rehabilitated or constructed with CDBG funds—over 640,000 housing units. These are housing units typically for low-income Americans, for seniors, for people with disabilities. Without this type of investment, I daresay there would not be a lot of construction, particularly in some of the older neighborhoods in our cities and in rural areas. With these funds, we have been able to stimulate the kinds of construction and renovation and renewal that are so essential to the fabric of our communities.

These funds were also used to provide services related to the Welfare-to-Work Program. They are used to help assist in terms of drug suppression, to aid people with drug problems; child care monies are used and involved here; crime prevention and education—all of these programs would be subject to severe cuts.

They also assist tremendously community-based organizations, those organizations in rural areas and urban neighborhoods that are doing the job of trying to give people hope and opportunity and also leveraging private dollars to make sure that what we do has effect, not just here in Washington but on the streets of every city and every rural area of this country.

This program has many manifestations. In my home State of Rhode Island, in Bristol, they used CDBG money to fund the acquisition of basic medical examination equipment, to set up a clinic and a senior housing facility, providing better health care and doing it in a way which adds to the quality of life for these seniors.

In the State of New Mexico, they boast a new state-of-the-art facility to train students for jobs in high tech. This facility was funded with $600,000 in CDBG money. Again, it illustrates how flexible and useful these funds are, because they have been used by local communities to assist local training programs to meet local demands for certain types of employees. It is a very, very valuable program.

In South Carolina, CDBG funds were used for 27 economic development projects in rural areas, including such things as bringing water and sewer systems to communities that desperately needed them. Last year, approximately 4,000 communities throughout this country benefited from $4.6 billion in CDBG funding. Indeed, this funding alone leverages additional private investment. In fact, it has been estimated that for every $1 of CDBG money, there is $3 of private investment. As a result, last year, reasonably and, I think, conservatively, we estimate that the CDBG Program leveraged an additional $18.4 billion in private funds.

It also creates jobs, because when you invest in cities, when you invest in rural areas, when you do it in conjunction with other Federal programs, other State programs, you can create jobs. In fact, it has been estimated that in 1996, CDBG was responsible for creating about 133,000 jobs.

In view of all of this tremendous productivity, efficiency, and effectiveness, it seems to me remarkable and counterintuitive, indeed, that we would be cutting this program by about 78 percent, effectively rendering it useless.

There is another program that should be considered, too. That is the section 108 program. The section 108 program has been very critical to many urban areas in this country because what it does is, it allows cities to leverage their annual CDBG funds to borrow additional monies to increase the amount of investment dollars they have on hand for housing rehabilitation, for economic development, for public works projects. Indeed, it allows specifically a city or a community to take their CDBG allotment and leverage that for five times more dollars through this loan program. Securing their borrowing are the annual proceeds of their CDBG allocation.

I raise the question: What is going to happen to these communities if we slash this funding dramatically? I suggest that their financing situation would be critical. They would either have to find some other way to secure these loans, or they would have to immediately pay off these loans or they would be in default. This would be a staggering blow to many communities. Ultimately, what it would do, together with the cuts in the overall CDBG Program, it would drive up property taxes in many cities and rural areas.

The irony here is that we are using billions of dollars to cut Federal taxes, with the idea of providing tax relief, which, I think, in a way could drive up taxes in certain communities. In fact, we all know the property tax is much more regressive than income tax, than the Federal tax. We could have the unintended consequences, for many people throughout this country, of making their tax situation worse, depriving the cities of the opportunity to maintain a tax base, to stabilize it, and to attract new business, to attract new investment because of a stable tax base. This is absolutely bad policy, and it should be rejected.

Let us talk about another program that is subject to these draconian cuts. That is the Economic Development Administration. This agency provides valuable assistance, again, to States and communities so they can do projects which will accelerate their economic growth and create more jobs. In my home State of Rhode Island, we work closely with the EDA to provide funds to help us make the final cleanup and transition of a former Navy base, Quonset Point, Davisville, on Narragansett Bay, so they can be developed for industrial expansion. Without EDA grants to do things like extending sewer lines, taking down an obsolete water tower, the State would not be in a position, as it is today, to offer that property for economic development.

Again, this is a program which goes right to the direct needs of cities to create jobs and to invest in their communities and States and to do these types of investments. It would be reduced dramatically.

Brownfield redevelopment: We have brownfield redevelopment that is absolutely necessary for the urban areas of this country. It is necessary because we have areas that need environmental remediation, not only to make them more aesthetically pleasing but also to provide the opportunity for reinvestment, redevelopment for jobs; again, to strengthen the urban tax base and to do so in a way that creates jobs, increases the tax base, and also counteracts what is a growing problem everywhere, increasing urban sprawl. If we can revitalize and make attractive again parcels in center cities for commercial expansion, we will lessen the pressure on suburban areas. This, too, can be done and has to be done in conjunction with many things. One of them is the Brownfield Grant Program. That, too, is on the chopping block.

Lead hazard reduction grants: In my home State of Rhode Island, we have a major hazard with lead paint and children, a major public health problem, a public health problem that is one I think we are embarrassed to admit, but it is there. It is there particularly in older communities, not just in urban areas but older rural communities.

Most of the paint that was created years ago had a lead base. It was put up everywhere. Kids now are exposed to that paint and exposed to other sources of lead. It has been estimated that nearly 5 percent of American children, age 1 to 5, approximately 1 million children, suffer from lead paint poisoning. That is an outrage in this country.

Our programs to combat it, to reduce it, would be subject to severe limitations, because HUD's Office of Lead Hazard Control would not have the resources—the meager resources, I might add—today that they are using to try to help communities reduce the lead hazard throughout this country.

Now, these are just a sample of the programs that would be eviscerated by this proposed budget resolution, that would be reduced over the next 10 years, dramatically, would be rendered perhaps ineffectual and totally without purpose in many instances. That is why I think we have to restore these funds and do so by taking funds away from the proposed tax cuts that are embedded within this budget resolution.

There will be some procedural arguments, I am sure, raised about my amendment, perhaps budget points of order, but really I think what we have to consider here is the substance. We cannot afford to stop investing in our cities and our rural areas. This budget does precisely that. It says to America's cities and America's rural areas: We are no longer going to invest in you; you are on your own; good luck; but what we are going to do is reduce taxes, Federal taxes.

I don't think we should abandon our cities and our rural areas. Certainly my amendment could accommodate both—a tax cut, together with the continued investment in the rural areas of America and also in our urban centers.

I feel compelled to restore these cuts. I feel that the substance of this amendment should triumph over procedural rules that might be imposed against it. As we go forward, I hope that others will feel the same way, too, because, frankly, we are charting a course with this budget resolution that would, I think, lead to, if not the ruin of our cities and rural areas, certainly it would lead to the lack of progress that we have seen over the last several years.

I hope when this amendment is considered that it will be supported as a way in which we can send clearly a signal to all of our cities and to our rural areas: We will not abandon you; we will continue to support you; we will continue to share with you resources that you may use in your wisdom to improve the quality of life of your cities, of your rural areas and, in so doing, improve the quality of life of this great country.

I yield the floor.

Mr. CRAPO addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I ask unanimous consent that we lay aside the pending amendment.

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

AMENDMENT NO. 163

(Purpose: To create a reserve fund to lock in additional non-Social Security surplus in the outyears for tax relief and/or debt reduction.)

Mr. CRAPO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAPO], for himself and Mr. GRAMS, proposes an amendment numbered 163.

Mr. CRAPO. Mr. President, I ask unanimous consent that the 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, insert the following:

SEC. ___. RESERVE FUND FOR INCREASED ON-BUDGET SURPLUS IN THE OUTYEARS.

(a) IN GENERAL.—Any additional on-budget surplus exceeding the level assumed in this resolution during the period of fiscal years 2001 through 2009 as reestimated by the Congressional Budget Office shall be reserved exclusively for tax relief or debt reduction.

(b) ADJUSTMENTS.—The Chairman of the Committee on the Budget of the Senate may reduce the spending and revenue aggregates and may revise committee allocations by taking the additional amount of the on-budget surplus referred to in subsection (a) for tax relief or debt reduction in the period of fiscal year 2001 through 2009.

(c) POINT OF ORDER.—

(1) IN GENERAL.—When the Senate is considering a bill, resolution, amendment, motion, or conference report that uses the additional on-budget surplus reserved in subsection (a) for additional Government spending other than tax relief or debt reduction, a point of order may be made by a Senator against the measure, and if the Presiding Officer sustains that point of order, it may not be offered as an amendment from the floor.

(2) SUPERMAJORITY.—This point of order may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the members, duly chosen and sworn.

(d) BUDGETARY ENFORCEMENT.—Revised allocations and aggregates under subsection (a) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

Mr. CRAPO. I thank the Chair.

Mr. President, I am pleased tonight to join with my good friend, Senator GRAMS of Minnesota, in offering an amendment that will help provide taxpayers relief from their tax obligations, as well as debt reduction for the American people.

Back when Senator GRAMS and I both served in the House of Representatives together and, I might add, at the same time we served with you, Mr. President, in the House of Representatives, we noticed a very interesting peculiarity in the budget process: When the House or the Senate reduced spending or adjusted spending downward in the budget, all that really happened was those particular projects or programs were eliminated or reduced, but the spending never was reduced and the deficits that we were dealing with at that time never really was reduced.

The deficit spending did not end. All that happened was that through some very intricate budget processes, those reductions in spending got reallocated to other spending proposals.

So we came up with an idea back then called the lockbox. We passed it four times in the House of Representatives as an effort to try to make sure that when the House or the Senate reduced spending, that reduced spending went to reduce the deficit and was not slid over into or moved over into other spending.

Now we have reached a point at which we have actually ended the deficits that we were working on 4 or 5 years ago, and we are dealing with surpluses. But the lockbox concept has gained significant support and is now proving to be a very valuable tool in dealing with the budget in a surplus climate.

Today, we have already adopted a very important lockbox amendment relating to Social Security. It was offered by a number of Senators. The primary sponsor was Senator ABRAHAM. That amendment provided that Social Security surpluses would be locked away in a lockbox and would not be allowed to be spent by Congress on other spending, in essence. That was an important first step.

We are now debating many different aspects of a very important budget. There is a debate as to what to do with the Social Security surplus and, as I indicated, we made a big step today in locking up that surplus so that it does not get squandered by Congress in other areas. That will stabilize and strengthen the Social Security trust funds.

As you know, the debate today, tomorrow, and probably the rest of the week, will show there is a debate underway on whether to reduce the national debt or to engage in significant tax relief for the American people or whether to allocate some of the surplus to those needed and important areas, such as our national defense or education or Medicare and other areas of needed concern.

But among that debate, Senator GRAMS and I believe that it is very important that we focus on what is going to happen with the surpluses in the future.

Senator DOMENICI has shown courage in producing a budget that is going to protect Social Security, it is going to pay down the public debt, it is going to stay within the budget caps, and it is going to provide an opportunity for needed critical tax relief. But on July 15, 1999, the Congressional Budget Office is going to update its economic and budget forecast for the fiscal year 2000 and beyond.

It is our expectation that this report will forecast an onbudget surplus that is even in excess of the current CBO estimates. If this is true and if that develops and we see even larger surpluses than we are now expecting, and after we have now put together a budget that allocates it as we think proper among tax relief, debt retirement, needed spending on the items that I have indicated and protection of the Social Security and Medicare trust funds, and if we still see a growing surplus, we believe that this unanticipated surplus should be set aside, should be put into another lockbox and be authorized to be used for only further tax relief or further debt retirement.

Our amendment will create a lockbox, a reserve fund in addition to the non-Social Security surpluses so that we lock in the additional non-Social Security surpluses, and in the outyears 2001 through 2009, those additional unexpected surpluses that are non-Social Security surpluses would then be made available to be taken from this lockbox only for tax relief or debt retirement.

These excess surpluses could then benefit the American people in the best way possible and would then be protected from further raiding by Congress for big spending. These unanticipated surpluses could not be used for other types of proposals, and it would guarantee the American people that we would see the retirement of debt or the increase of tax relief as they have been asking for. We have had some other speeches recently on the floor tonight about the critical importance of recognizing the national debt that has grown over the last little while.

The Senator from Ohio talked about his grandchildren, and all of us have talked about the fact that our children and our grandchildren are today being expected to pay the debt that we have grown over the last few decades. That is wrong. This bill will help assure that these unanticipated surpluses, if they develop, will be utilized for that debt retirement.

What about the current quality of life? With the tax rates now the highest they have been in a peacetime circumstance in America, the only time tax rates have ever been higher in America is during war. We are now siphoning off from the economy so much for the excessive Federal spending that we are jeopardizing the current quality of life of our children and our grandchildren because their families have to pay such heavy and excessive tax burdens.

It is these two key problems—the excessive taxes and the excessive debt rate that we have in this country—to which we should dedicate these unanticipated surpluses. Taxes are still too high and still too cumbersome and still impact America's working families too heavily. I urge all our colleagues to support this needed and valuable amendment. It would utilize the critical lockbox concept to put into place one more parameter on our budget negotiations this year to assure if our economy does stay strong and we see those surpluses in the future we do not now anticipate, that we can set them aside for retirement of our national debt and reduction of the tax burden on all Americans.

I yield the floor at this time to my good colleague from Minnesota, because I know he is here and would like to speak further on this issue.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, I rise to strongly support the tax relief and debt reduction lockbox amendment offered by my good friend, Senator CRAPO of Idaho. We have worked a long time together, as he mentioned, both in the House and now in the Senate. We need to continue to push these efforts to reduce the tax burdens on Americans.

This amendment would lock in any additional non-Social Security surplus into the outyears for tax relief and/or for debt reduction.

Before I speak on this amendment, I would like to take this opportunity to commend Chairman DOMENICI for his leadership in crafting and delivering this well-balanced budget. I believe this budget blueprint is a great achievement of this Congress and it will ensure our continued economic growth and prosperity as we move into the next century.

Mr. President, protecting Social Security, reducing the national debt and reducing taxes are imperative for our economic security and growth. Our strong economy has offered us an historic opportunity to achieve this three-pronged goal.

Chairman DOMENICI has ably showed us in his budget how we can provide major tax relief while still preserving Social Security and dramatically reducing the national debt.

President Clinton has proposed to spend over $158 billion of the Social Security surplus in his budget over the next 5 years for unrelated Government programs, instead of protecting Social Security.

This budget includes a safe-deposit box to lock in every penny of the $1.8 trillion Social Security surplus earned in the next 10 years to be used exclusively for Social Security.

Stopping the Government from raiding the Social Security Trust Fund is an essential first step to ensure that Social Security will be there for current beneficiaries, baby boomers and our children and grandchildren. I am pleased that this is the No. 1 priority under this budget.

It is also notable, Mr. President, that under this budget, the debt held by the public will be reduced dramatically, much more than what President Clinton has proposed in his budget.

This budget also reserves nearly $800 billion of the projected non-Social Security surplus—the tax overpayments of working Americans—for tax relief. This is the largest tax relief that has been enacted since the leadership of President Ronald Reagan.

As one who has long championed major tax relief, I am pleased that we have finally achieved some meaningful proposal in reducing our tax burden again.

Not only does this budget fund all the functions of the Government, but it also significantly increases funding for our budget priorities, such as defense, for education, for Medicare, for agriculture, and others.

In addition, Mr. President, unlike President Clinton's budget, which has broken the spending caps by over $22 billion, this budget maintains the fiscal discipline by retaining the spending caps.

There are those who claim we cannot avoid breaking the caps as we proceed to reconcile this budget. But I say if we do our job to oversee Government programs, we will know which areas can be streamlined and which program funding can be better shifted to new priorities. Let's make sure we do our job to justify all Government funds are wisely spent.

I am particularly pleased, Mr. President, that this budget has included one of my proposals which would allow us to lock in for immediate tax relief any additional on-budget surplus as re-estimated in July by the Congressional Budget Office of fiscal year 2000.

I believe this amendment offered by Senator CRAPO and myself is solid protection for the American taxpayers. I thank Chairman DOMENICI also for including my proposal in his budget as well.

As the economy continues to be strong, we may have more revenue windfalls to come in the outyears that are above and beyond what this budget resolution has assumed. We also need to lock in these windfalls and we also need to return these tax overpayments to hard-working Americans.

The logic for this amendment is fairly simple. Despite a shrinking Federal deficit and a predicted on-budget surplus, the total tax burden on working Americans is at an all-time high. It is still imperative to provide major tax relief for working Americans and address our long-term fiscal imbalances.

We need to give back any additional on-budget surplus generated by economic growth to working Americans, and we need to do it in the form of tax relief and debt reduction.

That is exactly what our amendment intends to achieve. This amendment would lock in any additional non-Social Security surplus—again, not Social Security surplus, but income tax surplus—that may be generated in the outyears which exceed the levels assumed under this budget.

All we are saying is, if our economic growth produces more increased revenues than we expect, these revenues should be reserved and protected for the taxpayers in the form of tax relief and/or debt reduction. It should not be there for the Government to spend it as it pleases.

One question we should ask ourselves before we decide how to spend any non-Social Security surplus is where the budget surplus comes from. The CBO has showed us precisely where we will get our revenues in the next 10 years.

The data indicates that the greatest share of the projected budget surplus comes directly from income taxes paid by the taxpayers. Again, this is their money. There is no excuse not to reserve it and then return it to the people who paid it.

If we don't lock in this surplus to the taxpayers, we all know that Washington will soon spend it all, leaving nothing for tax relief or the vitally important task of maintaining our long-term fiscal health.

Such spending will only enlarge the Government. It will only make it even more expensive to support in the future. And it will create an even higher tax burden than working Americans bear today.

Mr. President, I applaud the creation of the safe-deposit box for future Social Security surpluses to protect retirement security for our Nation's retirees.

But I also believe we need to create a safe-deposit box of a similar mechanism to lock in any additional on-budget surplus for tax relief and/or debt reduction beyond the fiscal year 2000 reestimate that is in the resolution.

The Congressional Budget Office reports that by 2012, we will have eliminated all the debt held by the public and we will begin to accumulate assets. By 2020, the share of net assets to GDP is expected to reach 12 percent. This is great news.

However, I believe we should use some of the on-budget surplus from the general fund to accelerate debt reduction. Currently we pay about $220 billion a year in interest. We saw from Senator VOINOVICH, in his charts, tonight how much we are spending every year just to pay the interest on the debt.

The sooner we eliminate the debt, the more revenue we will have in hand to reform Social Security, to reduce our tax burden and to finance our priority programs. This amendment will help us to achieve that goal.

We have also heard some say that Americans do not want tax relief. I hear that often: ''Americans don't want tax relief.'' Clearly they are completely out of touch with working Americans, and this is not what I hear when I listen to Minnesotans when I am at home.

A poll conducted by Pew Research Center shows that 53 percent of the American people say that the budget surplus should be used for a tax cut. Fifty-three percent want a tax cut. Only 34 percent say that it should be used for additional Government programs.

An Associated Press poll taken by ICR is even more specific. The following question was asked:

> President Clinton and Congress have predicted big budget surpluses in the next few years. Both sides want to set aside more than half of the surplus to bolster Social Security, but they disagree on how to spend the rest.

The question goes on:

> Which one of the following uses of the remainder of the surplus do you favor most: paying down the national debt, cutting taxes, or spending more on government programs?

The results of that survey: 49 percent said cutting taxes, 35 percent said to pay down the debt, and only 13 percent said that they wanted to spend more on Government programs.

There was another question that was also asked. And the question was:

> Some Republicans want a 10% tax cut for everyone. President Clinton prefers tax credits for specific things like child care or taking care of disabled parents. Which approach do you like better?

And the answer: 50 percent said they want a 10-percent cut for everyone, 44 percent want tax credits for specific things.

Mr. President, Americans' message is loud and clear. They want—and deserve—major tax relief.

Again, my biggest fear is that without the lockbox, the Government will spend the entire additional on-budget surplus generated by working Americans. Last year's omnibus appropriations legislation was a prime example of how the Social Security surplus was spent by Congress.

This year's supplemental threatens to be equally abusive if we cannot agree on any offsets.

Mr. President, as I conclude tonight, we must protect the interests of our taxpayers. We must secure the future for our children's prosperity. This amendment would allow families, again, the opportunity to keep just a little more of their own money and to provide a good downpayment on debt relief. I urge my colleagues strongly to support this amendment.

Thank you very much. I yield the floor.

Mr. CRAPO addressed the Chair.

The PRESIDING OFFICER. The Senate from Idaho.

MORNING BUSINESS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

ALLEGATIONS OF SPYING AT LOS ALAMOS, SANDIA, AND LAWRENCE LIVERMORE LABORATORIES

Mr. DOMENICI. Mr. President, for decades Los Alamos, Sandia, and Lawrence Livermore have attracted the greatest scientists in the world. That has not changed with the end of the Cold War; the knowledge and skills in those laboratories are unequaled in the world and the envy of the world—for that reason, others will always try to gain that information. The directors and scientists have, since the inceptions of the laboratories, been cognizant of the fact that they are the target of spying.

As we consider how to respond to these recent allegations—and some steps have been taken including: the initiation of an aggressive counter-intelligence program at the laboratories that has had its funding increase substantially in the last 24 months and we have halted a declassification initiative until its implementation can be reviewed—we have to ensure that our actions do not undermine the excellence of the laboratories.

Interactions with experts outside the laboratories and outside the United States are critical to the pursuit of scientific knowledge and underpin the vitality of the laboratories. Cutting off those interactions will cause the capabilities at the laboratories to fade with time until, at some point, no one would spy on our labs there wouldn't be anything worthwhile in them.

I have been briefed by:

The Director of Central Intelligence;

The Director of the Federal Bureau of Investigation;

Department of Energy officials, and others on the recent allegations of spying by the Chinese at Los Alamos National Laboratory. I will await the final report of the panel of experts appointed by the Administration before I assess what damage has been done by this latest episode, but some facts are evident.

We do know, without doubt, that China's intelligence program against the United States has yielded some results—they have gained access to classified nuclear weapons design information. However, we do not know how much information they have gained or how much that information benefited their nuclear weapons program.

I must also say that it is unclear how China gained that information. The Chinese do target our nuclear weapons laboratories, but they also target other potential sources of the same information including other parts of the government, its contractors, and the military branches.

It is also unclear how useful information China may have gained, about the W–88 in particular, is to China. The W–88 is extremely advanced; the product of fifty years of our best scientific and engineering know-how. In many ways, China's nuclear weapons program is not capable of utilizing the W–88 design.

That is not reassuring when you look out over the coming decades, and in any case, knowing where our years of work led our designers will allow the Chinese to avoid some of the mistakes we made, but the Chinese do not currently have warheads anything like the W–88.

Despite the fact that the Chinese capability today does not come anywhere near matching ours, the Chinese nuclear weapons program is threatening. China does share its nuclear weapons technology with others along with its missile technology, and it continues to develop more advanced nuclear weapons designs.

Chinese nuclear capabilities threaten its neighbors and limit the opportunities to pursue broad arms control