

## FEDERAL SURPLUS

Mr. DURBIN. The United States has changed a lot in the last 7½ years. Mr. President, 7½ years ago we were deep into deficits. We were spending more each year than we collected in taxes. We were running up the largest national debt in the history of the United States. We have \$6 trillion in debt to show for that experience.

Many people have lost faith in the ability of this institution to correct this problem and to respond to what was truly a national crisis. In fact, some went so far as to suggest we should amend the Constitution of the United States to pass what was known as the balanced budget amendment.

On the floor today with me is Senator ROBERT BYRD of West Virginia, acknowledged to be probably the most gifted Senator when it comes to the rules of this body and knowledge of the Constitution. He fought a battle, sometimes lonely but ultimately successful, in stopping Members from amending the Constitution and giving power to the Federal courts to tell the Congress to stop spending. Some in this body thought that was the only way we could stop the red ink cascading over the Treasury in Washington, DC. Senator BYRD prevailed. The amendment was defeated.

Amazingly, we stand today in this Senate, in this Capitol, in Washington, DC, with a complete change of events. We are no longer talking about the yearly deficits. We are talking about the yearly surpluses, the fact that the economy is so strong, so many people are working, so many people are earning a good income, businesses are successful, people are building homes, America is on the move. For 7½ years or more now, we have seen that prosperity not only lift the boats of the American people but also bring a new opportunity in Congress. For the first time in many years, we can honestly sit back and discuss and debate what to do with the surplus in the Treasury.

I think many Democrats share the feeling that we should be conservative in our approach with this surplus. I am not sure what tomorrow, next year, 3 years, or 5 years down the line will bring. I think the decisions we should make as to this surplus should be thoughtful. First and foremost, let's retire our national debt, the \$6 trillion debt. We collect \$1 billion a day in taxes from Americans, businesses, families, and individuals to pay interest on our old national debt. It is as if to say to our children, we are going to leave you the mortgage on the home we enjoyed our entire lives.

I agree with President Clinton and most Democrats; our first priority should be reduce the publicly held national debt to zero. We can do it. We can do it in a short period of time. It will call for some discipline and some honest dialog with the American people. We can take the money from our surplus, pay down the debt in Social Security, pay down the debt in Medi-

care, strengthen those two very important programs, and bring down our national debt. That is our policy on the Democratic side of the aisle. That, we think, should be the first step that we make, the most important, the most conservative, the most disciplined.

The Republican side sees things quite differently. They believe if we are going to have a surplus, the first and most important thing we should do with that surplus is to give tax cuts. There isn't a politician alive who wouldn't like to address a crowd in his hometown and announce a tax cut. There is just no more popular set of words we can use in this business than: I'm going to cut your taxes. Is it the right thing to do? Is it the responsible thing to do?

Equally important, if we are to give tax cuts, who should be the beneficiaries? If we are going to have a surplus for the first time virtually in modern memory, what are we going to do with that surplus? Who will benefit from that surplus?

Over the last week and a half, we have heard the Republican answer to those questions. They have suggested if we have a surplus in America, if times are good and we can help somebody in America, the very first people in line for help should be the wealthiest in America. Now, is that the conclusion most American families would reach? I don't think so.

If you take a look at the proposal of the Republicans to eliminate the estate tax, and the bill that just passed to eliminate the so-called marriage penalty, you can see who the winners are. This chart I am presenting shows the Republican tax plan, their spending of our surplus. Almost half of our surplus is going to benefit the wealthiest people in America. The biggest winners? Mr. President, 43 percent of the total tax cut proposed by the Republicans goes to people making over \$319,000 a year. They get 43 percent of the tax breaks. It means for them, on average, an annual tax cut of \$23,000. That is almost \$2,000 a month.

The Republicans believe in good times, after we have been through all this pain, and we now have a surplus, the first group who deserves a break, the first group to deserve a benefit is the wealthiest people in America, those making over \$319,000 a year.

What about those on the other end? What about the people who get up and go to work every single day and may make a minimum wage or a little better than that? How will they fare under the Republican proposal? How were they considered when the Republicans sat down and said where our priorities will be, here are the people we will help. The lowest 20 percent of wage earners in America, those making less than \$13,600 a year, get less than 1 percent of the Republican tax cut. It is worth \$24 a year to them, \$2 a month. The Republicans didn't forget them, they will send them \$2 a month. For the wealthiest, it is almost \$2,000 a month.

The next group, those making up to \$24,400, see about \$82 a year from the Republican tax cuts. That comes to \$7 a month. Think about that for a second. If we are going to help the people in America who need help the most, shouldn't we be rewarding hard-working families who get up and go to work every single day, play by the rules, try to buy a home, try to build a community, try to provide for their children and their future or should we take this surplus and give it, first, to those who are making over \$300,000 a year?

Some people say that being in Congress is about a question of being "in touch" or "out of touch." The Republican tax plan is in touch with the wealthiest people. It is out of touch with regular families.

The Democratic side believes after bringing down the national debt, we should target tax cuts to help these working families who have been virtually ignored by the Republicans in their tax benefits.

On the floor of the Senate, we offered an amendment to say every family in America, every single family, can deduct every year \$12,000 in college education expenses. I have seen a lot of families with new babies. Everybody is happy to see the child arrive. After a few minutes, people turn and say: What a cute little boy. How in the world are we ever going to pay for his college in 18 years? People know that cost is going up. The average family knows how tough it is to pay it.

We say on this side, you deserve a helping hand to help your son or daughter be the absolute best they can be. We offered an amendment. Instead of the Republican plan for the wealthiest, we said let the people of America deduct \$12,000 a year in college education expenses from their taxes. It is a deduction which would mean, for some families, as much as \$3,000, and a helping hand to pay for tuition. Rejected, rejected on the floor of the Senate last week. They don't want that kind of tax cut. They want the kind of tax cut that gives \$23,000 a year to the wealthiest people in America but would not give to average families, worried about their kids going to good schools and having a bright future, a helping hand.

We also considered a prescription drug benefit. I think everybody knows what that is about. Your parent and your grandparents, on Medicare, are struggling to pay for their prescription drugs. On the Democratic side, we think there should be a program under Medicare to make sure the elderly have a chance to fill those prescriptions, stay healthy, stay strong, stay independent. We have been fighting for that. We offered it as an alternative. Instead of giving money to the wealthiest in this country, why don't you help those under Medicare, give them a helping hand in paying for some of the drugs? Rejected. The Republicans had a chance to vote for that tax benefit and rejected it on the floor of the Senate.

Having been across the State of Illinois, with public hearings on prescription drug benefits, the stories will break your heart. Men and women coming to those hearings get their prescription from the doctor. They go to the pharmacy, and before they ask them to fill it they ask how much will it cost. If it is too much, they either don't fill it or take half the prescription many times, depriving themselves of the basics of life so they can have prescription drugs.

That was the choice: To give to people earning over \$300,000 a year in income a tax break of \$23,000 or to give to seniors and the disabled a chance to pay for the prescription drugs. These are the values we tested on the floor of the Senate, and Republicans rejected the idea of a prescription drug benefit proposed by the Democrats.

On child care, do you know a working family with small children? Unless they have someone in the family they can count on, who doesn't worry about safe, quality child care for the kids? I think about it as a grandfather. I have a little 4-year-old grandson, and it finally dawned on me when my daughter told me she was looking for day care, somebody was going to have my little Alex for 8 hours a day. I said, "Who are these people? I want to know who they are if they are going to have my grandson."

Every mother and father asks that same question, and they struggle to come up with the money to pay for good child care to guard each day the most precious thing in their lives, and Senator DODD said, can't we give a tax break to working families to help them pay for child care? Wouldn't that be something good for America, so the kids are in good, safe hands during the course of the day so working families have that peace of mind? Rejected by the Republicans in the Senate. No, sir, we are not going to give a child care tax break for working families. We are going to give to the wealthiest in America \$23,000 a year in tax cuts.

When it comes to putting people in the front of the line for help from this Government, the Republican leadership has said time and again: We are not there helping working families pay for college education. We are not there helping working families pay for child care. We are not there for prescription drug benefits. We are there for changes in the Tax Code that literally help the wealthiest people in America.

Another challenge many of us face is the whole question of taking care of aging parents. If you are a baby boomer, you probably know what I am talking about. Your parents, now, who want to live as long as they possibly can as independently as they can, basically come to you at some point and say, "We are going to need a hand." People make sacrifices for their parents in those circumstances. We think the Tax Code should recognize that, and reward that as well, and give to families who are struggling to take

care of their aging parents and those with serious illness a helping hand. That is another idea for a tax cut that helps real American families, another idea rejected by the Republican leadership in the Senate. No, these people are not on their radar screen. First and foremost, the tax break suggested by the Republicans has to go to the very wealthiest among us.

So half the surplus we are now generating and hope to see in the next 10 or 20 years is not going to the working families of America. It is going to those who already are well off, those who are doing well, those who, frankly, don't need a helping hand.

Imagine, if you will, if you are making \$300,000 a year, what an extra \$2,000 a month means to you. What are you going to do with it? Surely you will find something to do with it. But could it possibly be as valuable as providing what a family needs to help pay for a college education expenses? Prescription drugs? Day care? Taking care of an aging parent? That is the battle that is underway.

President Clinton said he is going to veto these bills, and he should, because he was elected by people across America, 98 percent of whom will see no benefit whatsoever from these bills. Let us at least start listening to families across America when it comes to our tax policy. Let us sit down and correct the inequities in the Tax Code. But also let us decide who is most deserving of our tax assistance. I do not believe it is people making over \$300,000 a year. They are doing quite fine by themselves. Let's be sensitive, though, to those families struggling every day to realize the American dream and to have opportunity.

When you take a look at this Nation we live in, it is the greatest on Earth. God blessed each one of us who had a chance to call this home. But we have an obligation to people who live in this country to make sure they have a chance for opportunity, too. You heard the wonderful story Senator JACK REED of Rhode Island told about John O. Pastore, one of the giants in the history of the Senate. A son of immigrants, he rose to serve in this Chamber and be an ideal and to serve as a model for so many people and so many generations.

There are many others like John Pastore out there who need their chance to prove themselves in America. They are not worried about estate taxes paid by fewer than 2 percent of the American people. They are folks who are worried about making sure they have a safe, healthy home, making sure they have health care, have college education expenses taken care of. Those people have been forgotten in the debate over the last 2 weeks. It is up to President Clinton to remind us of our priorities. It is up to him to lead us, now, into meaningful tax relief targeted to help families who really need it.

When it comes to prescription drug benefits, I do not think there is a more

important issue we can consider during the course of this remaining congressional session. Prescription drug expenditures have been growing at double-digit rates for almost every year since 1980, and the drugs that seniors need the most have increased at four times the rate of inflation. The average prescription drug cost for Medicare beneficiaries will reach \$1,100 per year this year.

The Republicans have proposed, in a manner to try to deal with this, the suggestion that we should turn to the health insurance companies to let them take care of prescription drugs. Pardon me, we have seen what those same managed care companies and health insurance companies do to families when the families really need help. They turn them down when they need medical care. They let decisions be made by insurance clerks rather than doctors. They force people to go to court to sue for basic health care. That is the same group to whom Republicans would turn over the prescription drug benefit. That will never work. It is best for us to put together a plan that is guaranteed and universal and under Medicare that we can count on.

It is also important we have the leverage and the power to make sure we can negotiate for reasonable drug prices. It is just inconceivable to me that some of the same drugs we approve in the United States, some of which we spent taxpayers' dollars to research and develop, end up being sold in Canada for a fraction of the cost. Americans are now getting in buses and driving over the Canadian border to buy their drugs, fill their prescriptions for prescription drugs made by American drug companies at taxpayers' expense because they have to pay three and four times as much in the United States as they would in Canada. That is disgraceful. If this Congress does not address it with not only a prescription drug benefit but also some effort to have reasonable control of price increases, we are not listening to the people we were sent here to represent.

We can talk about estate taxes. We can talk about people making over \$300,000 a year. But we have lost touch with reality and we have lost touch with America if we do not understand the cost of prescription drugs is something that haunts literally millions of Americans every single day. That is something we can and must do something about in the immediate future.

We have to bring Medicare in line with reality. The reality is that prescription drugs can keep you out of the hospital, keep you home and healthy, keep you independent and strong. When Medicare was created, there was no prescription drug benefit. Forty years ago, there were not that many drugs around, for that matter. But the world has changed. You would not buy a health insurance policy today that did not have some prescription drug benefit in it. Today, the most vulnerable people in America are seniors and

disabled under Medicare who virtually have no prescription drug protection whatsoever.

We want to change that. We, on the Democratic side, believe if we do nothing else this year, we should enact a prescription drug benefit. We can then say to our parents and grandparents and the elderly we love in this country: We have heard your message. Again, I say while we should have been debating that, we were debating an estate tax change that ends up giving almost \$23,000 a year to some of the wealthiest people in America.

Look at how this works out in terms of the different income groups and how much they receive. As I mentioned, the lowest 20 percent of wage earners in America, under the Republican plan, get \$2 a month. What can you buy with that nowadays? Maybe a coke at McDonald's, I guess. Then up here at the highest level, those making over \$300,000 a year, \$23,000 in breaks on the Republican tax plan. Again, the inequity is so obvious—the fact that the people who are struggling the hardest, working the hardest, doing the most to make America strong, are the people who are being ignored by the Republican tax relief.

This is not the first time that has occurred. Take a look at some of these charts involving Republican tax cuts from years gone by. You will see every single time the Republicans have had a chance—in August of 1999; in May of 2000, the House minimum wage proposal; in March of 2000, and the Republican Congress estate tax repeal—at least 41 percent of all the tax benefits went to the very richest, the top 1 percent in America.

When it came to the minimum wage, the same thing was true. Think about that minimum wage for a second. How long could you survive on \$5.15 an hour on a job? Well, 350,000 people in my home State of Illinois got up this morning and went to work, and they are being paid today \$5.15 an hour. These are not lazy people. These are some of the hardest working people in my State. These are people cleaning the tables, making the beds, doing the laundry, doing the dry cleaning, watching our children in day care, and these people are being paid \$5.15 an hour.

We have tried, with Senator KENNEDY, for over 2 years to increase the minimum wage in this country, and we have been told America just cannot afford it. We cannot afford to give people who go to work every single day a livable, decent wage of \$6.15. That is hardly a great sum of money, but at least it tries to keep up with the cost of living.

The same Congress and the same leadership that has rejected a 50-cent-an-hour wage increase for some of the hardest working people in America wants to turn around and give a tax break of \$23,000 a year to those making over \$300,000.

Doesn't it strike you as odd that they are willing to give a tax break to folks making over \$300,000 a year, which is

the equivalent of more than twice the income of a person earning the minimum wage? Where is the sensitivity to America? I can't understand how the Republicans can feel the "pain" of the wealthy but can't feel the pain of those who are working hard every single day to try to make a living and to try to make America better.

Again and again, given the chance to come up with the Republican tax cuts, we find that the richest in America are the ones who profit. We just ended up passing the so-called marriage penalty tax cut and exactly the same rules apply. Who are the people who will benefit from this? Under the Republican plan, this so-called marriage penalty turns out to be a marriage bonus.

The idea, of course, behind it is if two individuals are earning a certain income and decide to get married and they combine their income on a joint return, many times they find themselves moving up to a higher income tax bracket. That is wrong. We should change it. The Democrats support that change and that reform.

The Republicans say that is not enough. They say: For those who happen to get married—and one is working and one isn't—we want to lower the tax rate in their situation, even though there is no tax penalty. You end up giving a break where, frankly, it is not needed. So the tax break goes to those who are not being penalized.

When you look at the ultimate benefit of it, you see, once again, the top 20 percent of earners in America are the ones who benefit the most from the Republican plan. And 25.7 percent of all the benefits under this plan go to the richest 5 percent in the country, and 78 percent of it goes to the richest 20 percent in the country.

Again and again, given a chance to help working families and young married people who are struggling to get a start in life, the Republicans have said, no. They say the first people to help are the richest people in our society. That, to me, does not make sense.

What we have suggested, under the marriage penalty, is that we should have a simple, straightforward plan. We should define the marriage penalty as when a married couple pays more as a married couple than they would as two singles. Very simple. We say let married couples earning below \$100,000 have a choice in filing. They can file as two singles or as a couple. The proposal could not be more simple.

The Democratic alternative completely eliminates each and every one of the 65 marriage penalties in the Tax Code for taxpayers making \$100,000 a year or less. It reduces the marriage penalty for taxpayers making between \$100,000 and \$150,000. I think it is realistic, generous, and makes a lot of sense. I supported that, but that is not what passed the Senate a few minutes ago.

What passed is a benefit that will, frankly, go to the wealthiest people in this country. Again and again, we for-

get those who are making America great, working every single day. We forget those who need help in paying college education expenses.

We forget those who, frankly, have to make a tough decision at some point in the life of their son or daughter: Where are they going to go to college? Every parent dreams of their son or daughter getting into the very best school, and then they try to think of how they are going to pay for it. Many times they can't; they are unable to pay for it. They have to have that sad meeting in their household where they discuss it and say: Maybe you will have to stay home for a year. Maybe you will go to a school closer to home for a couple years, and then maybe, just maybe, if we save enough, you will get your chance to realize your dream and go to the very best school where you have been accepted.

That is a sad situation for a lot of families, but it is a real situation. We know what has happened to college education expenses. Anybody you talk to can tell you that particularly private schools but many public educational institutions have seen their costs increase dramatically. Families struggle with paying for that.

We came up with a suggestion on the floor of a tax deduction to help families pay for college education expenses. Rejected by the Republican majority, their belief was, if we are going to give tax relief, let's give it to the folks who are making over \$300,000 a year.

Prescription drugs, college education expenses, child care, helping to pay for your aging parents, that is my top list when it comes to tax relief in this country. But, sadly, with the Republican majority in control of the Congress now, that will not be the list that is listened to or followed when you talk about tax relief.

In just a few weeks, the major political parties will go through the quadrennial exercise of heading off for their national conventions—the Republicans to Philadelphia, the Democrats to Los Angeles. Of course, there will be a lot of speeches. The networks have decided it is not worth listening to, and they are going to tune us out most of the time. But you will read about it and probably catch some items in the news. You will hear a lot of claims being made.

You can count on the message coming out of Philadelphia—the Republican Convention—where they will say: President Clinton had a chance to cut your taxes, and he didn't do it. He vetoed the bills that the Republicans passed in the Congress.

A lot of people back home might say: That is a shame because I need a tax cut.

But for 98 percent of the American families listening to those shows, guess what, you were not protected or improved in any way by those tax cuts. They go to the top 2 percent of the American people. Those are the ones, the biggest wage earners in America, who will benefit.

Of course, at the Democratic Convention, you will hear us talk about issues that this Congress has refused to even consider—the prescription drug benefit, an increase in the minimum wage, and gun safety legislation. Think about that. Of course, if you turn on the television in the morning or pick up a newspaper, you hear of another incident of a child shooting up a school. And you think to yourself: What is America coming to that this can happen, in what is supposed to be one of the safest places in our country, that kids can take guns to school?

We were paralyzed a year ago—a little over a year ago now—at the tragedy at Columbine High School in Littleton, CO. To think that 12 kids could be killed, and so many others terrorized by those who would come upon these weapons and take them to school and open fire.

Every mother and father, and every schoolteacher and administrator, and many students across America said: What are we going to do to protect ourselves? They turned to Congress because we are representing these people and their families and said: Can you do something?

We came up with gun safety legislation. Let me tell you what it proposed. It wouldn't end gun violence in America, but it was an effort to try to keep guns out of the hands of criminals and children. We said: If you are going to buy a gun from a gun dealer in America, we are going to check on who you are. We want to know something about your background. It is the Brady law. We stopped a half a million people from buying guns who should not have bought them because they were too young, they had a criminal history or a history of mental illness. That law has worked.

But the same people could have turned around and gone to a gun show at the local armory and bought the same guns without any background check. Those are the guns that we are finding more and more popping up in high schools and schools across America, guns purchased at gun shows, by those who were ineligible or questionable. They turn around and sell them. Kids get their hands on them. So we enacted legislation that said: We will do a background check at gun shows, too, to try to keep guns out of the hands of criminals and children and those who would misuse them.

That bill passed. It was a tie vote, 49–49, when Vice President GORE came and cast the tiebreaking vote. That was over a year ago. Nothing has happened to that bill since. It went over to the House of Representatives, and the gun lobby ripped it to shreds. They sent it to a conference committee, where it has been sitting moribund for literally a year, while gun violence continues in America and claims the lives of 12 or 13 of our children every single day.

One of the other provisions in that bill came from Senator KOHL of Wisconsin. He said: When you sell a hand-

gun in America, it should have a child safety device or a trigger lock on it so kids can't get their hands on them and hurt themselves or their playmates or their classmates. That was part of the bill that we passed out of here. That was stopped by the gun lobby, as well.

When you think about it, many parents who decide not to have a firearm in their homes because they have small children never know, when their son or daughter goes to play next door, what the circumstances might be—whether those same kids are going to be vulnerable to some child finding a gun in a drawer or up on a shelf, play with it, and kill their playmate. You read about it almost every single day.

So this commonsense idea that we will have child safety devices or trigger locks on handguns in America was in the bill we sent over to the House. It was stopped cold—stopped dead in its tracks—by the gun lobby. They said: We have just gone too far. It is just too radical a suggestion that we would sell child safety devices with handguns.

The third provision was from the Senator from California, Mrs. FEINSTEIN, who said: It is against the law to manufacture and sell high-capacity ammo clips in the United States, but there is a loophole. You can import them from overseas. And it is pretty simple to do.

She put into law the provision that you won't be able to buy high-capacity ammo clips that hold up to 100 cartridges and bullets. You have to ask yourself: What sportsman or hunter needs 100 cartridges or bullets? I believe if you need a high-capacity ammo clip and a semiassault weapon to go and shoot a deer, perhaps you ought to stick to fishing.

In many instances in America, the people who are buying these high-capacity ammo clips are turning around and using them for these gang banger activities and drive-by shootings that you read about, sadly, here in Washington, DC, and Chicago and cities across America.

That was the third provision in the gun safety bill. That was the third provision that the National Rifle Association said was unacceptable: We cannot restrict the right of American hunters and sportsmen to have high-capacity ammo clips that hold over 100 cartridges.

To my way of thinking, common sense requires us to say to people who want to exercise their right to legally and safely use a firearm that they, too, have to face some restriction on their activity. Those who have visited Washington, DC, as tourists may have gone through an airport and through a metal detector. It is an inconvenience we accept because we want to be safe when we get on that airplane. To ask that those who own firearms face similar inconveniences is not unreasonable, unless you happen to be the National Rifle Association. They think it is unreasonable to impose any restrictions whatsoever.

As a result, sadly, every morning in America, when you pick up the paper, you see instances where children are being killed, instances where kids are taking guns to school, instances where with some foresight and some political courage, this Congress might have been able to do something. We have not.

This has been a do-nothing-for-the-people Congress, as Vice President GORE has said. It has failed to take into consideration what the average working family in this country expects of us, not only to balance the books but to balance our priorities, to make sure the people who prosper because of our judgments and our decisions and our legislative leadership are the families across America.

I think also of the uninsured in this country. To think that in this time of prosperity in America, after the longest run of economic progress in the history of the United States, at a time when we are envisioning surpluses that have never been seen in our history, that we still live in a country with 40 million people who are uninsured. I offered an amendment to my friends in the Senate that said we ought to give a tax credit to small businesses to help pay for health insurance for their employees. These are the businesses that pay the highest health insurance premiums to protect the family who owns the business as well as their employees. These are the employees working for small businesses who make the lowest incomes. Not surprisingly, they turn out to be the largest source of uninsured people in this country, those workers and their children.

What I propose, as part of our tax package on the Democratic side, is to say to small businesses: We will give you a helping hand. We will give you a tax credit so that you can offer health insurance to your employees. It strikes me as one of the basics we should consider.

Just a few years ago, we initiated a nationwide plan to help the States pay for covering the children of working parents with health insurance. It is called the CHIP program. It is working well in my State of Illinois and across the Nation. Congress is trying to plug the holes of 40 million uninsured people in America.

We had a hearing the other day that would have broken many hearts. The mothers and fathers of very disabled children came to tell us about their plight. They depend on SSI, a program under Social Security and Medicaid, to provide for kids who are profoundly retarded or disabled. They find, sadly, they earn too much money. We heard from a woman who talked about a situation where her State came to her and said: You can no longer provide for your child with your income; you just don't have enough money. We want you to turn your child over to be a ward of the State.

Imagine, in America, in the country in which we live, parents who are struggling to raise disabled children

are told that the only answer is to turn their child over to become a ward of the State. That was what she faced. Her health insurance did not cover her needs.

Then there was a sergeant in the Air Force who came to see us with his lovely little 9-year-old daughter, Lauren, who has some serious medical difficulties. This is a man who has given most of his adult life to his country in the Air Force. He was recently given a promotion to E-6, where he would make \$200 more a month. With that \$200 more a month, he was disqualified from receiving Medicaid and SSI. He said it would cost him over \$500 a month to take care of his little daughter. So as he gets a tiny increase in pay of \$200 a month, he sees that \$500 of medical bills fall on his shoulders.

These are people in America without health insurance. These are people who I think about when I think about the surplus that we are experiencing. What are we going to do with this to extend health insurance coverage to more and more Americans so it is no longer a question that parents ask their emancipated kids, as I have asked my daughter, Jennifer: Do you have health insurance now? She is a student who works from time to time, does her very best, but I worry about it as a father. I shouldn't have to. No one should have to in this country. Health insurance ought to be a given in America—not the fanciest and most expensive policy but a basic policy.

Is Congress debating that? Is Congress even thinking about it? Is Congress sensitive to it? No. We are debating tax breaks for people making over \$300,000 a year. That is our priority. The priority is not the parents of the handicapped children, the children of America who are uninsured, the 40 million uninsured Americans in general. That is where we lost sight of the true reality of the challenges facing American families.

The choices on the floor of the Senate are clear, and the choices for the American people in the election will be clear in terms of the values that should be represented when we decide who will benefit from the surplus we have generated and the strong economy of the last 8 years.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. VOINOVICH. Mr. President, in the year-and-a-half that I have been in the Senate, I have taken several opportunities to come to the floor to talk about the need to reduce our national debt.

Every chance I get, I remind my colleagues that we cannot let the excitement of having a record-high surplus allow us to lose sight of the fact that we must keep spending in check, and use our Social Security surplus and on-budget surplus dollars to pay down our \$5.7 trillion national debt.

I can't help but wonder why the media is quick to report that we have such tremendous surpluses, but is virtually silent when it comes to reporting that we have such a huge national debt.

I think the people need to know that we have a national debt that is costing us \$224 billion in interest payments a year, and that translates into \$600 million per day just to pay the interest. Out of every federal dollar that is spent this year, 13 cents will go to pay the interest on the national debt. In comparison, 16 cents will go for national defense; 18 cents will go for non-defense discretionary spending; and 53 cents will go for entitlement spending. Right now, we spend more federal tax dollars on debt interest than we do on the entire Medicare program.

This debt didn't accumulate overnight. In fact, it took decades of misguided fiscal policies on the part of the Congress and the Executive Branch to get this way. But, fortunately, we have an opportunity, with our strong economy and low unemployment, to make some headway on paying down our debt.

Nearly every family in America or every business owner in America, when they come into some extra money, would use that surplus money to pay off their loans, their credit cards, etc.—whatever debt they had accumulated.

And that's precisely what the U.S. government should do.

I don't think our Nation is any different from our families. If we have some extra money, we ought to get rid of the debt we are carrying on our back.

As my colleagues know, because of the expanding economy, CBO's April surplus estimates showed that we had attained a \$26 billion on-budget surplus in fiscal year 2000.

And I would like to remind my colleagues that \$22 billion of that \$26 billion surplus was from payroll tax overpayments to the Medicare Trust Fund.

However, of that \$26 billion surplus amount, the fiscal year 2001 budget resolution assumed we would spend \$14 billion of it.

That left \$12 billion, which I felt should be used for debt reduction, and so I sought to find a legislative remedy to have those funds allocated solely for the purpose of debt reduction.

On June 15th, by a vote of 95–3, the Senate passed an amendment to the Transportation Appropriations bill that Senator ALLARD and I sponsored, directing the remaining \$12 billion on-budget surplus to be used for debt reduction. It was a tremendous victory, but, recognizably short-lived.

Over the last two months, Congress has spent \$13.8 billion in an “emer-

gency” supplemental appropriations package that was included as part of the Military Construction Appropriations Conference Report, and an additional \$5.5 billion has been allocated for payments for another “ag bailout” bill with the passage of the Crop Insurance Reform package.

Thus, nearly all but \$4 billion of the \$26 billion surplus has been spent, including just about all of the \$22 billion in overpayments to the Medicare Trust Fund—money that we in Congress have been talking about “lock-boxing” to prevent it from being spent in just such a manner.

With all this added spending, I would like to remind my colleagues that we are significantly raising discretionary spending this year—a habit Congress seems reluctant to break. For example, in fiscal year 1998, Congress spent \$555 billion on discretionary spending. In fiscal year 1999 we increased discretionary spending to \$575 billion—a 4% increase over that one year.

In fiscal year 2000, if you factor in the emergency supplemental appropriations we approved two weeks ago, discretionary spending will be \$618 billion. Compared to last year's \$575 billion, if my figures are right, that is a 7.5% increase so far in discretionary spending.

How many people in this country can say that they received a 7.5% pay increase from last year?

This is outrageous, and all the more reason we can't allow spending to grow any further in FY 2000.

When given the opportunity to spend more or bring down our national debt, Congress has to learn to make the tough choices—the fiscally prudent choices.

Fortunately, we will have another opportunity to curb spending and make a dent in our national debt.

Today, we have received the expected news from CBO that our fiscal year 2000 on-budget surplus has grown to \$84 billion—\$60 billion more than was projected in January.

With such a large amount of on-budget surplus dollars at stake, I fear that, again, the temptation will be enormous to spend these dollars—and with even greater zeal than before. We must ignore the allure of spending these surpluses, and remember that the best thing we could do with these funds is use them to pay down the debt.

For those of my colleagues who support tax cuts, I would like to remind them that the only thing that we can do with these FY 2000 surplus funds this year is use them to increase spending or pay down the national debt. That's it. They cannot be used for tax cuts because the fiscal year is almost over.

I have recently read an excellent paper written by Peter B. Sperry, who is the Grover M. Hermann Fellow in Federal Budgetary Affairs at the Heritage Foundation, regarding our obligation to use our surplus dollars to pay down our national debt.

I believe each of my colleagues should read this compelling article, and I ask unanimous consent that a copy of the article be printed in the RECORD following my remarks.

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

(See Exhibit I.)

Mr. VOINOVICH. Mr. President, I agree with the conclusion that Mr. Sperry reaches in his paper, and that is, Congress needs to enact legislation that will automatically take the \$60 billion windfall we just received for fiscal year 2000 and use it to pay down the debt.

The bill that Mr. Sperry says that Congress needs to pass is H.R. 4601, the Debt Reduction Reconciliation Act of 2000. Fortunately, on June 20th, the House of Representatives passed H.R. 4601, by a vote of 419-5. An overwhelming majority—just think of it.

I have reviewed this bill, and I believe H.R. 4601 is our last hope to pass meaningful debt-reduction legislation this year. That is why I asked that this bill be held at the desk and put on the Senate's calendar, instead of being sent to Committee. We must consider this legislation now, and we need to let the American people know that Congress is serious about reducing the national debt and not merely paying lip-service towards that goal.

In particular, the bill establishes an off-budget account at the U.S. Treasury that would be called the Public Debt Reduction Payment Account. Any funds that are over the amount specified in CBO's January surplus estimate of \$24 billion would be transferred to the Account, where they would be automatically used to reduce the debt. Thus, \$60 billion in on-budget surplus funds for FY 2000 would be directed towards debt reduction.

My fear is that before any of the extra FY 2000 funds actually go towards debt reduction, Congress and the President—especially the President—will say, "well, we've got the money, let's spend it and get out of town." But Mr. President, that's definitely not how it should work.

We have a moral obligation to use this money to pay down the debt, and I would like to read a quote from General Accounting Office (GAO) Comptroller General David Walker that hits the nail right on the head regarding that obligation. In testimony before the House Ways and Means Committee last year, Mr. Walker said:

This generation has a stewardship responsibility to future generations to reduce the debt burden they inherit, to provide a strong foundation for future economic growth, and to ensure that future commitments are both adequate and affordable. Prudence requires making the tough choices today while the economy is healthy and the workforce is relatively large—before we are hit by the baby boom's demographic tidal wave.

To me, the most important thing that we can do on behalf of our children and our grandchildren is to remove the yoke of this debt burden from their backs. If we do so, it will strike a

blow for their future and for the future of our nation.

It is the responsibility of the House and the Senate to "stop the hemorrhaging of spending" by agreeing to let the remaining on-budget surplus for FY 2000 go towards paying down the national debt. H.R. 4601 will meet that challenge, and it is now up to the Senate to pass this bill. Let's get it done, Mr. President, and let's get it done now.

I thank the Chair, and I yield the floor.

#### EXHIBIT I

[From The Heritage Foundation, June 13, 2000]

#### HOW TO PROTECT THE SURPLUS FROM WASTEFUL SPENDING (By Peter B. Sperry)

Although most Americans assume that a federal budget surplus in any year is automatically used to reduce the national debt, or at least the debt held by the public, this actually is not the case. The U.S. Department of the Treasury must implement specific financial accounting procedures if it is to use a cash surplus to pay down the debt held by the public. If these procedures are not followed, or if they proceed slowly, then the surplus revenue just builds up in the Treasury's operating cash accounts.

This excess cash could be used in the future to further reduce the debt, but only if it is protected from other uses in the meantime. Until the excess cash is formally committed to debt repayment, Congress could appropriate it for other purposes. Consequently, the current surplus will not automatically reduce the publicly held national debt of \$3.54 trillion unless Congress acts now to make sure these funds are automatically used for debt reduction and for no other purpose.

There is a parallel to this in household finance. When a family with a large mortgage, credit card debt, and several student loans receives an unexpected financial windfall, it usually deposits the funds in a checking account and takes a little time to consider how best to allocate the revenue—whether to refinance the mortgage, pay off credit cards, or establish a rainy day fund. Meanwhile, the family's debt remains, and will not be reduced until the family formally transfers funds to one or more of its creditors. If the family does not take some action in the interim to wall off the cash, it often ends up frittering away the money on new purchases, and the debt remains.

The federal government faces a similar situation. Surplus revenues are accumulating in the Treasury Department's operating cash accounts faster than the Bureau of the Public Debt can efficiently dedicate them to reducing the public debt. Consequently, surplus balances in these accounts have reached historic levels, and they are likely to accumulate even faster as the size of the surplus grows. Unless Congress takes formal action to protect these funds, they are available to be used or misused at anytime in the appropriations process. Fortunately, the House soon will consider a bill (H.R. 4601) that would protect the budget surplus from being raided by appropriations until prudent decisions can be made about its use.

#### WHY DEBT REDUCTION NEEDS A BOOST

Thanks to unexpected budget surpluses, the U.S. Department of the Treasury issued less new debt than it redeemed each year. It conducted several "reverse" auctions to buy back old high-interest debt. And it successfully reduced the amount of federal debt held

by the public in less than three years by \$230 billion, from \$3.77 trillion in October 1997 to \$3.54 trillion in April 2000. Chart 1 clearly shows that its efforts have been successful and impressive.

Despite this effort, the Treasury still is awash in cash. Examining the Treasury Department's monthly reports over this same period (see Appendix) reveals that, after accounting for normal seasonal fluctuations, the closing balances of its operating cash accounts have grown dramatically and, more important, the rate at which cash is accumulating in them has accelerated. The linear trend line in Chart 2 shows both the growth in the closing balances in the cash accounts and the projected growth under current conditions. Essentially, if no provisions are made to protect these balances, in August 2002—two months before the midterm elections—appropriators would have access to almost \$60 billion in non-obligated cash.

Unfortunately, even this projection may be too conservative. Examination of month-to-month changes in the closing balances indicates that the rate of cash accumulation has started to accelerate, which will cause the closing balances to grow even faster. The trend line in Chart 3 shows that the amount of positive monthly change in closing cash balances has, after accounting for normal fluctuation, increased since October 1997, and cash balances could start to increase by an average of \$20 billion per month within two years.

The Treasury Department faces extraordinary cash management challenges as it attempts to repay the debt held by the public steadily and without destabilizing financial markets that depend on federal debt instruments as a standard of measurement. By protecting accumulated cash balances from misuse, Congress could provide the Treasury Department with the flexibility it needs to do its job more effectively.

#### TREASURY'S LIMITED DEBT MANAGEMENT TOOLS

The Treasury relies on three basic debt management tools to reduce the debt held by the public in a controlled manner.

**Issuing Less Debt.** As old debt matures and is redeemed, the Treasury Department issues a slightly smaller amount of new debt in return, thereby reducing the total debt held by the public. This is the federal government's most cost-effective and preferred method of debt reduction. However, it is not a simple process to determine how much new debt should be issued. If the Treasury Department returns too much debt to the financial market, it misses an opportunity to retire additional debt. If it returns too little to the markets, the cost of federal debt instruments will rise, driving down their yields and disrupting many private-sector retirement plans.

**Reverse Auctions.** The Treasury Department periodically conducts reverse auctions in which it announces that it will buy a predetermined amount of specific types of debt instruments from whoever will sell them for the best price. This method quickly reduces debt held by the public, but it can be expensive. Investors holding a T-bill that will be worth \$1,000 in 20 years may be willing to sell it for \$995 if they need the money now and believe that is the best price they can get. However, if they know the Treasury Department has made a commitment to buy a large number of T-bills in a short period of time, investors may hold out for \$997—a premium of \$2 million on every \$1 billion of debt the Treasury Department retires.

**Purchasing Debt Instruments.** The Treasury Department can use private-sector brokers to purchase federal debt instruments on the open market without having it revealed that the client is the federal government.



This method is slow, but it allows the Treasury Department to take advantage of unpredictable fluctuations in financial markets to buy back federal debt instruments for the best possible price. This method must be used carefully and discreetly to avoid having investors, upon realizing that the true buyer is the federal government, hold out for higher prices.

#### WHY TIMING AND FLEXIBILITY ARE IMPORTANT

The Treasury Department needs time and flexibility to use debt management tools effectively. It often will need to allow large balances to accumulate in the operating cash accounts while it waits for the opportunity to buy back federal debt instruments at the best possible price. If these balances are unprotected, they may prove irresistible temptations for appropriators with special-interest constituencies.

A prudent Secretary of the Treasury would not risk disrupting financial markets by recklessly reducing the amount of new debt issued each year, but might increase the number and size of reverse auctions to ensure that surplus revenues are used for debt reduction rather than remain available to congressional appropriators. The taxpayers would, at best, pay more than necessary to retire the federal debt, and they might find that appropriators have spent the surplus before it could be used to pay down debt.

#### MAKING DEBT REDUCTION AUTOMATIC

Fortunately, Congress has the opportunity to ensure that the Treasury's large cash balances are not misused in the appropriations process. The U.S. House of Representatives will soon consider H.R. 4601, the Debt Reduction Reconciliation Act of 2000, recently approved by the House Ways and Means Committee. This legislation, sponsored by Representative Ernest Fletcher (R-KY), is designed to give the Treasury Department the time and flexibility it needs to use debt management tools most effectively. It would protect the on-budget surplus revenues collected during the remainder of fiscal year (FY) 2000 and appropriate them for debt reduction by depositing them in a designated "off budget" Public Debt Reduction Account.

Although the surplus revenues could still cause an increase in cash balances, the cash would be dedicated in the Debt Reduction Account rather than in the Treasury Department's operating cash account. Appropriators would be able to reallocate these funds only by first rescinding the appropriation for debt reduction in legislation that would have

to pass both houses of Congress and gain presidential approval. Once surplus revenues are deposited in the Debt Reduction Account, appropriators would have very limited ability to increase spending without creating an on-budget deficit, which many taxpayers would perceive as a raid on the Social Security trust fund.

H.R. 4601 would effectively protect the surplus revenues that are collected during the remainder of FY 2000; moreover, it serves as model for how Congress should allocate unexpected windfalls in the future. It does not preclude tax reform because it is limited to the current fiscal year and therefore affects only revenues that have already been collected or that will be collected before any tax reform legislation takes effect. Nevertheless, once the Debt Reduction Account is established, Congress could continue to appropriate funds to the account at any time. Consequently, Congress would retain the option to reduce revenues through tax reform and still have a mechanism to prevent unexpected surplus revenues, once collected, from being used for any purpose other than debt reduction.

H.R. 4601 would give the Treasury flexibility to use its debt reduction tools in the most effective manner. Surplus revenues deposited in the Debt Reduction Account would remain available until expended, but only for debt reduction. The department would be able to schedule reverse auctions at the most advantageous times, make funds available to brokers buying back debt on the open markets or decrease the size of new debt issues—depending on which mechanism, or combination of tools, proves most cost effective. There would no longer be pressure to "use it or lose it."

#### HOW TO IMPROVE H.R. 4601

Although H.R. 4601 demonstrates a real commitment of members of the House to fiscal discipline, the legislation could be improved. Congress should consider requiring the Secretary of the Treasury also to deposit all revenue received from the sale of Special Issue Treasury Bills (which are sold only to the Social Security Administration) in the Debt Reduction Account. This would preclude the possibility of any future raids on the Social Security trust fund.

Congress should also consider adding language to H.R. 4601 to automatically appropriate future real (rather than projected) surplus revenues to the Debt Reduction Account. This would allow Congress the flexi-

bility to implement tax reforms while also guaranteeing that surplus revenues, once collected, could be used only for debt reduction.

#### CONCLUSION

Many Americans assume that if surplus revenues are not used for spending or tax cuts, they automatically reduce the national debt. Indeed, this has become an unstated premise in discussions of fiscal policy, whether in the press, academia, or Congress. Unfortunately, the premise is incorrect.

To make the premise true, the Treasury Department should be able to make specific provisions for retiring debt. If it is not given the power and obligation to do so, the surplus revenues accumulating in its operating cash accounts will be subject to misuse by appropriators. Congress has an opportunity and obligation to give the Treasury Department the time and flexibility it needs to utilize its debt management tools effectively when it considers H.R. 4601. This bill offers an effective first step toward the goal of making sure that budget surpluses do not disappear in new spending programs.

#### WHAT IS THE NATIONAL DEBT?

The national debt consists of Treasury notes, T-bills, and savings bonds that were sold to raise cash to pay the ongoing operational expenses of the federal government. National debt held by the public consists of debt instruments sold to anyone other than a federal trust fund. Most federal debt held by the public is owned by state and local governments, pension plans, mutual funds, and individual retirement portfolios.

Most investors consider federal debt instruments to be cash equivalents that pay interest, and they are strongly motivated to hold them until maturity—up to 30 years in the case of T-bills. Many institutional investors, particularly pension funds, are required to maintain a certain portion of their portfolio in cash equivalents, and they depend on the federal government to issue new debt when their old investments mature and are redeemed. In addition, many lenders, particularly mortgage companies, use the market price of federal debt instruments as a measurement device to determine appropriate rates of return on alternative investments. These lenders rely on the federal government to maintain enough federal debt in circulation to make this measurement valid.

#### APPENDIX

#### U.S. TREASURY OPERATING CASH AND TOTAL PUBLIC DEBT: OCTOBER 1997–APRIL 2000

[In millions of dollars]

	Treasury operating cash: opening balance	Treasury operating cash: closing balance	Change	Total borrowing from the public: opening balance	Total borrowing from the public: closing balance	Change
1997:						
Oct .....	\$43,621	\$20,261	—\$23,360	\$3,771,141	3,777,456	\$6,315
Nov .....	20,261	19,778	—483	3,777,456	3,806,564	29,108
Dec .....	19,778	31,885	12,107	3,806,564	3,804,792	—1,772
1998:						
Jan .....	31,885	40,307	8,422	3,804,792	3,779,985	—24,807
Feb .....	40,307	16,280	—24,027	3,779,985	3,810,549	30,564
Mar .....	16,280	27,632	11,352	3,810,549	3,830,686	20,137
Apr .....	27,632	88,030	60,398	3,830,686	3,770,099	—60,587
May .....	88,030	36,131	—51,899	3,770,099	3,761,503	—8,596
Jun .....	36,131	72,275	36,144	3,761,503	3,748,885	—12,618
Jul .....	72,275	36,065	—36,210	3,748,885	3,732,515	—16,370
Aug .....	36,065	36,427	362	3,732,515	3,766,504	33,989
Sep .....	36,427	37,878	1,451	3,766,504	3,720,092	—46,412
Oct .....	37,878	36,217	—1,661	3,720,092	3,735,422	15,330
Nov .....	36,217	15,882	—20,335	3,735,422	3,757,558	22,136
Dec .....	15,882	17,503	1,621	3,757,558	3,752,168	—5,390
1999:						
Jan .....	17,503	57,070	39,567	3,752,168	3,720,919	—31,249
Feb .....	57,070	4,638	—52,432	3,720,919	3,722,607	1,688
Mar .....	4,638	21,626	16,988	3,722,611	3,759,624	37,013
Apr .....	21,626	58,138	36,512	3,759,624	3,674,416	—85,208
May .....	58,138	25,643	—32,495	3,674,416	3,673,865	—551
Jun .....	25,643	53,102	27,459	3,673,865	3,651,619	—22,246
Jul .....	53,102	39,549	—13,553	3,651,619	3,652,812	1,193
Aug .....	39,549	36,389	—3,160	3,652,812	3,679,282	26,470
Sep .....	36,389	56,458	20,069	3,681,008	3,633,290	—47,718
Oct .....	56,458	47,567	—8,891	3,632,958	3,638,712	5,754

U.S. TREASURY OPERATING CASH AND TOTAL PUBLIC DEBT: OCTOBER 1997–APRIL 2000—Continued

(In millions of dollars)

	Treasury operating cash: opening balance	Treasury operating cash: closing balance	Change	Total borrowing from the public: opening balance	Total borrowing from the public: closing balance	Change
Nov .....	47,567	6,079	-41,488	3,639,079	3,645,212	6,133
Dec .....	6,079	83,327	77,248	3,645,212	3,680,961	35,749
2000:						
Jan .....	83,327	62,735	-20,592	3,680,961	3,596,976	-83,985
Feb .....	67,735	21,962	-40,773	3,596,570	3,613,701	17,131
Mar .....	21,962	44,770	22,808	3,613,701	3,653,447	39,746
Apr .....	44,770	92,557	47,787	3,653,447	3,540,781	-112,666

Sources: U.S. Department of the Treasury, Monthly Treasury Statements, at <http://www.fms.treas.gov/mts/>.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

### ORDER OF BUSINESS

Mr. LOTT. Mr. President, we are working with the managers of various pieces of legislation to determine the best way to proceed. Senator DASCHLE and I have been discussing how to proceed. We have had a very busy time over the past 8 days. We have had a lot of votes. We have completed a lot of work: The Department of Defense authorization bill—actually, we completed that with debate at night—the Interior appropriations bill today, the death tax elimination legislation last Friday, and the marriage tax penalty today.

The question is how to proceed at this point. We hope we can complete action on the foreign operations appropriations bill so it can go to conference, as we did yesterday on the legislative appropriations bill.

Our colleagues will recall, we did take that up but didn't complete it. We need to get that done so that can go to conference and the House and Senate conferees can begin working with the administration to get that important legislation passed. I know they have interest in it. We do, too.

We are also committed to getting four appropriations bills done before we go out for the August recess: Agriculture, which is, I believe, ready to proceed. The managers are in the area. Senator COCHRAN and Senator KOHL are in the area; The energy and water appropriations bill is ready to go when we complete Agriculture; Treasury-Postal Service will be ready next week, and Commerce-State-Justice.

That would be 11 appropriations bills. That would still leave the HUD-VA appropriations bill and the DC appropriations bill. But for a variety of reasons, we probably could not get those two done until some time in September, maybe even the middle of September anyway.

Now, there are other issues in which Senators are interested. We have been

discussing ways to proceed to them, or if we could proceed to them. We had discussed the possibility of going to the NCAA gaming issue. I discussed that with some of the advocates on this side of the aisle at noon today. I understand, in fact, we may not be able to proceed to that because we have to clear it with a lot of different Senators. But we will continue to look to see if we can find a way to have that legislation considered.

Senator DASCHLE will want to comment on a number of these things, and maybe ask questions, too.

We still have pending the Elementary and Secondary Education Act. We put about a week or more into that legislation. A lot of amendments have been offered and voted on. There is a feeling, I hope, on both sides of the aisle that we would still like to actually complete that legislation.

I would like to consider working on it and at some point proceed the way we did on the Defense authorization bill so we actually get it completed. I am going to talk more with Senator DASCHLE about that. He will want to consult, I am sure, with the ranking member on his side. I will want to consult with the chairman on our side, Senator JEFFORDS, and Senator CRAIG, and others who are involved in that.

I continue to urge the Judiciary Committee to make progress on judicial nominations. There are a number of nominations that have had hearings, nominations that are ready for a vote, and other nominations that have been pending for quite some time that should be considered.

I have discussed this matter regularly with Senator HATCH, including last Friday afternoon and, again, just briefly yesterday. I cannot make the Judiciary Committee vote. I cannot tell them who to vote on, but I can urge them to continue to work on those nominations that can be cleared and can be reported to the Senate.

I have been assured by the chairman that they are going to have a markup and report out some judges on Wednesday of this week or—I thought it was Wednesday. Has it been moved to Thursday? I thought it was 10 o'clock on Wednesday. But they are going to report out judges this week and have at least one more hearing before the August recess. They expect to report out another group of judges next week. In that group will be not only district judges but circuit judges. So I want to make that record clear.

With regard to the issue a lot of Senators are interested in, the China permanent normal trade relations issue, we have to finish the appropriations bills. But we are discussing now a procedure, which we can discuss, that would allow us to go ahead and proceed to it, take some action on it next week but recognize that because of the time that could be required in having to debate and file cloture on a motion to proceed, and other cloture motions that might be necessary, we would not be able to complete it and do the appropriations bills next week.

Also, I continue to have a desire to find a way for the Thompson-Torricelli issue to be considered, either free-standing or as an amendment. So we need to get that resolved before we actually move to proceed to the China PNTR bill.

But I can see, again, the possibility of doing some work on that free-standing at night or doing it as an amendment, or, of course, he may reserve his right and may, in fact, believe he has to actually offer it when we go to China PNTR.

So what I am proposing here—and I would like Senator DASCHLE to comment on it—is that we go ahead and complete action on the foreign operations appropriations bill, send it to conference; that we go to the Agriculture appropriations bill; that we then take up the other appropriations bills in this group—energy and water, Treasury-Postal Service, and CJS—but that we work to see if we can proceed at night, perhaps on Thursday, perhaps next Monday, on the Elementary and Secondary Education Act. I need to consult with Senators that have been involved in that from the committee—the chairman and others I mentioned—and Senator DASCHLE needs to do the same thing.

If we could get an understanding that we would work on all these, we would also entertain the idea of proceeding to the China PNTR legislation next Wednesday. I believe, as it now stands, I would have to file a cloture motion on that. That cloture, then, would ripen on Friday; I believe that would be the 28th of July, which would be the Friday that we would hope to go out for the August recess. That would be the final action, unless 30 hours had to be run off of it at that time. Then we would go back to that when we come back after the August recess in September. The positive effects of that