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## Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and gracious Father of our lives, thank You for enabling unity in diversity and oneness in spite of our differences. You hold us together when otherwise ideas and policies and resolutions would divide us. Make us sensitive to one another, especially when a vote makes conspicuous our differences. Help us to reach out to each other to affirm that we are one in our calling to lead our Nation. May we neither savor our victories nor nurse our disappointments, but press on.

So we fall on the knees of our hearts seeking Your blessings for our work this day. To know You is our greatest privilege and to grow in our knowledge of Your will is our most urgent need. Lord, our strength is insufficient; bless us with Your wisdom. Our vision is incomplete; bless us with Your hope. In Your holy name. Amen.

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE from Kansas, is recognized.

### SCHEDULE

Mr. DOLE. I thank the President pro tempore.

Mr. President, today, there will be a period for morning business for 2 hours, and rollcall votes could occur today on executive or legislative items cleared for action. We would like to work out some of the nominees, at least clear some of the nominees on the Executive Calendar, including some of the judi-

cial nominees. It has been suggested if that is not possible, we just start down the list one at a time. I am not certain that will happen today, but we will continue to work on it.

On Monday, it is hoped the Senate can begin debate on the budget resolution conference report. There is a statutory 10-hour time limit. Hopefully, we can resolve that today and work out some agreement. I am not certain how much time it will take. It should not take 10 hours on a conference report.

In any event, we will be in touch with our colleagues later sometime this morning. We are still working on health care. My view is we are very close. I am not certain what the White House view is, but I believe we have made a lot of progress. There has been a lot of give and take. Whether or not that will be complete by next Tuesday is problematical, but we are making progress and, hopefully, there can be some resolution. At least when it is taken up, it may have broad support. That may or may not be possible, but the Republicans will meet at 9:45 in my office, Republican conferees from the House and Senate.

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

The PRESIDING OFFICER (Mr. CRAIG). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

### BALANCING THE BUDGET

Mr. INHOFE. Mr. President, I rise today to express regret over what happened yesterday. Yesterday was a very significant day in America. We had an opportunity yesterday to pass a balanced budget amendment to the Con-

stitution. Of course, it did not work out. We fell short by a couple votes.

It reminds me a little bit of last year when we fell short by one vote—one vote—one vote away from forcing fiscal discipline into two bodies that have expressed and shown and demonstrated no fiscal discipline over the past 40 years.

This is not anything that is new. I can remember, Mr. President, back in the middle 1970's when there was an ad by, I think, the National Taxpayers Union. They had a nationwide ad. They were trying to express to the people of America how serious the debt was, and tried to give us an understanding as to what these dollars really mean. Because once you start getting past \$1 million or \$1 billion or \$1 trillion, nobody really has any concept of what it is. Our debt right now, when you say \$5 trillion, does not mean an awful lot.

So back in the middle 1970's I can remember this very effective ad that they had. What they did at that time—the Empire State Building was a tall building—they took \$100 bills, and they stacked them up until they finally reached the height of the Empire State Building. They said, "That is \$400 billion. That is our national debt." At that time we looked at it and said, "You know, we can't go much beyond this. You start talking about the interest that is going to be necessary to pay on the national debt. Can we really afford it?" Because when you make interest payments, you have to use revenue dollars that would otherwise go to defending our Nation or to paying for education and the environment and the other needs, structural needs that this Nation has in such abundance.

So at that time, back in the 1970's, I remember so well someone who was in this body for quite a lengthy period of time. His name was Carl Curtis. He was a U.S. Senator from Nebraska. He was just a delightful gentleman.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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He came up with an idea. He came out to Oklahoma. I was in the Oklahoma State Senate at the time. He said, "You know, we can't seem to get across to the people in the U.S. Senate how much the people at home want us to exercise fiscal discipline, how much they want us to balance the budget and quit borrowing more and more from future generations."

So to demonstrate this—this was his idea, not mine; Carl Curtis—he said, "We're going to go out and get three-fourths of the States to pass resolutions that would preratify an amendment to the Constitution." As we all know, we have to get two-thirds of the vote of the House and the Senate; then it has to be ratified by three-fourths of the States. "So if we can show that there are three-fourths of the States who want to have a balanced budget amendment to the Constitution, then that will give us the influence that we need to get it passed in the U.S. Senate." It sounded like a good idea.

So he came out to Oklahoma. I remember so well we went around to—I remember one time at the Kay County Fair we made a presentation of this. These are just good, earthly people who are paying taxes and working for a living. And they all thought it was a great idea.

So I introduced in the State Senate of Oklahoma back in 1974 a resolution to preratify the constitutional amendment. I remember that Anthony Kerrigan at that time—I think he is retired now, still resides in Washington—he wrote in a syndicated column that was all over the Nation, and the name of it was, "A Voice in the Wilderness." He said, "Way out in Oklahoma is a State senator who has successfully passed the first resolution to preratify an amendment to the Constitution to balance the budget." That was over 20 years ago. This is not anything that is new.

In fact, it goes back even further than that. Thomas Jefferson was the one who came back from France and said if he had been here during that constructive process of the Constitution, he would have had something that would prohibit us from borrowing money, except in times of war. This is something that is not anything new.

We heard in the discussion, in the debate in the last few days, over and over again by those who are fighting a balanced budget—not balanced budget amendment, but balanced budget. It is interesting that you never hear anyone on the stump campaigning for office, "We want to spend more money. We do not want a balanced budget amendment to the Constitution. We want to fiscally discipline ourselves. And it is our job to do it." Yet, when they come here there is so much influence here not to balance the budget, not to have fiscal discipline, they do not do it.

We have heard these people over and over again on the floor saying, "We do not need a constitutional amendment because we were elected to do that." I

say we have demonstrated clearly in both bodies of this Congress that we are incapable of doing it without something to force us to do what we ought to do voluntarily. We have demonstrated that so clearly that this is the only vehicle out there that I can think of that would do it.

The argument has been made on this floor that the Governors and the States are lowering taxes and are boasting about the fact they are lowering taxes, and if we pass a balanced budget amendment to the Constitution, we will have to have dramatic, draconian increases in State taxes to pay for the services that otherwise they would get from the Federal Government. That just is not true.

There is a mentality, I know, in the White House that the only way to raise revenue is to raise taxes. I can remember a very articulate President of the United States who was a Democrat, John Kennedy, who said back in his administration, "We have to raise more revenue; to do this, we are going to lower taxes to stimulate the economy." A lot of people do not realize, for each 1 percent of economic growth, that produces new revenues of \$26 billion. If he can do this, this will allow him to raise more revenues. That is exactly what happened in the Kennedy administration. They reduced taxes and that increased revenue.

Along in 1980 when President Reagan was elected, President Reagan said, "We have to have more revenues and we have to use those revenues to reduce the deficit and reduce the debt and ultimately do something about debt, so we are going to cut taxes, marginal rates," and we went through, in the 1980's, the largest tax cuts in any 10-year-period in the history of America.

The results are there. The total revenues that were generated to operate Government in 1980 were \$517 billion. Then in 1990, the total revenues were \$1.30 trillion—they doubled, exactly—between 1980 and 1990. That was a period of time when we had the most dramatic cuts in our marginal rates. As far as the income tax is concerned, the total receipts in 1980 were \$244 billion, and in 1990 \$466 billion, almost doubling, at a time we reduced our rates.

You might say, "Well, wait a minute. We hear on the floor that during the Reagan years we had such dramatic increases in our deficit." Yes, we did, but that was not as a result of the fact that we were reducing taxes; that was the increase in revenues, the problem that we were spending more money here in the Senate and in the House. So while revenues went up, our spending went up exceeding that increase, and the deficits continue.

Now, in hindsight, I say maybe the President at that time, President Reagan, should have vetoed a lot of those bills he did not veto. That is what the current President is getting by with now in vetoing all the things he ran on when he ran for President of

the United States and what most of the Republicans who took over control of the U.S. Senate ran on in 1994.

Speaking of President Reagan, I remember one of the greatest speeches of all time was called "A Rendezvous With Destiny," way back in the middle 1960's. The speech that Ronald Reagan made, I remember a sentence he said. "There is nothing closer to immortality on the face of this Earth than a Government agency once formed." That certainly has proven to be true. Once you form an agency to respond to a problem that is there, and the problem goes away, then the agency continues, and their political muscle expands. So there are problems that are out there that can be dealt with, but they cannot be dealt with unless we force ourselves to do something to discipline ourselves in this manner.

There is one other problem that I think adds to this. A study was made—and I cannot document it, but I do have the document back in my office—over 98 percent of the people who come to visit their Senator or their House of Representatives Member are coming because they want to increase funding for some program. It might be for a problem. They might be a contractor; it might be a program that they feel in their hearts needs to be expanded.

What do we hear, if we are here in Washington? We hear from the people who come in and say, "We want to spend more money." That is one of the reasons I have been an advocate for term limitation for so many years.

I made it a practice to commute. I still live back in my State of Oklahoma and I come up here during the time we work and we vote and we have committee meetings, and I go back so I am there virtually every weekend. When you do this, you talk to the people who are back home, that I sometimes get chastised for referring to as "real people," implying there are not real people here. Really, those who come in and want something out of Government generally are people who are here for some particular cause—their cause or for a personal gain.

The fact remains that over 98 percent of the people that come in are here for increased funding. That is something I meant to mention when they use the arguments that we will have to have draconian cuts in Government if we have a balanced budget amendment to the Constitution. That is not true.

A study made by the Heritage Foundation—and I got it renewed only this week to see, is it true today—if we were to take all Government programs and not cut one Government program, entitlement programs and all the rest of them, and increase these programs with growth caps of 1½ percent a year, we could balance the budget in 7 years and have the tax cuts that the Republicans want, the \$500 tax credit per child, the tax decreases in capital gains in order to stimulate the economy. We could make the trust funds well again;

we could secure Social Security, Medicare—all of that, without cutting one program.

Realistically, that will not happen. We understand that, Mr. President, because when it gets down to it, there are programs that need to be cut and some that need to be increased by more than 1½ percent. If we had a resolution, if it could be structured, I have thought we might be smarter just to let every program grow by that percentage.

When I have townhall meetings—and I have more than most because I am back in my State more than most Members are—and you have people coming in who are senior citizens, and you tell them, “What if we were to put a cap on your Social Security of 1½ percent, if you knew that all other Government had to do the same thing?” They all nod with approval and say “yes.” Their concern is they would have to take the hit and the veterans would not, or somebody else would not. I think all the American people want is to be treated equally. I guess the point I am trying to make here is, you do not have to have draconian cuts to have a balanced budget.

Now, I do not want to use up too much time because there are others who want to speak during this period of time reserved by the distinguished Senator from Georgia, Senator COVERDELL, but I do want to address something. I was quite disturbed yesterday when the very distinguished senior Senator from Kentucky came to the floor. I was chastised for some of the comments that I made. One of the statements I made that offended him was that he implied I was saying that people say one thing at home and say something else in Washington.

Let me read exactly what I said so that there can be no misunderstanding. I said this after I had read some quotes of various Senators who were strong supporters of a balanced budget amendment in 1994 and turned around and spoke against it and voted against it this time.

What I said was: “So I think it is something that we need to look at, and I’m hoping that those individuals, as the distinguished Senator from Iowa, Mr. GRASSLEY said, a lot of the Senators who are voting for this because they want to go the party line instead of voting with the people at home, better really stop and think about it before noon tomorrow,” the day before yesterday, “because the people at home are not going to forget,” and I know that is true. People at home are not going to forget because the vast majority of the Democrats and the Republicans in America—approximately 80 percent—want a balanced budget amendment to the Constitution.

So I did go back and read some quotes from individuals. One was from the Senator from North Dakota, Senator DORGAN, who said, “This constitutional amendment, no matter what one thinks of it, will add the pressure that we reconcile what we spend with what

we raise.” This was March 1, 1994. This time he was one of the most articulate Senators that was opposing the balanced budget amendment.

Then the distinguished Senator from South Carolina, Senator HOLLINGS, said, “So let us debate, pass, and ratify the balanced budget amendment by writing a balanced budget amendment into the basic law of the land. We will compel Washington to do its job.” I agree. That is what he said on March 1, 1994. This time he was one of the leaders in opposition to the balanced budget amendment.

Then, of course, the one I have a great deal of respect for, the distinguished minority leader, Senator DASCHLE from South Dakota, back in February 1994, said, “Too much is at stake for us to settle for this tax. A balanced budget amendment will provide the fiscal discipline our Nation must have in order to meet the needs of the present generation without bankrupting those of the future.” That was Senator DASCHLE in 1994. Of course, he led the opposition this time.

So I hope that the distinguished Senator from Kentucky will understand the context in which I was saying this. I do not understand how somebody could be such a strong supporter in 1994 and then oppose the same thing in 1996.

I have the two resolutions here. They are worded exactly the same—not approximately the same, but exactly the same. Back in 1994 this was Senate Joint Resolution 41. All of these Senators were talking about how great this was and how we had to do it—I was applauding them for their courage—only to turn around and oppose this in 1996. What happened between 1994 and 1996? Nothing, except the debt has grown to over \$5 trillion.

So when the Senator from Kentucky came in—I had not quoted him, but I will now. He said this back on March 1, 1994. He said, “I support the efforts of my friend and colleague from Illinois”—talking about Senator SIMON, who is a very courageous guy, and one I complimented probably more than I have ever complimented anyone else on the floor yesterday. Senator FORD said, “I support the efforts of my friend and colleague from Illinois to take on this persistent fiscal dishonesty. I hear so much about if 40-some-odd Governors can operate a balanced budget, why can’t the Federal Government? I operated under it”—this is Senator FORD, who was a Governor of Kentucky—“and it worked. I think implementation of this amendment will work. I think we can make it work. I do not understand why it takes a brain surgeon to understand how you operate a budget the way the States do. This is an opportunity to pass a balanced budget amendment that will work and will give us a financially sound future, not only for ourselves but for our children and our grandchildren.”

I was criticized yesterday because I said those individuals who opposed the balanced budget amendment—I am

talking about those who voted against the balanced budget amendment—are people who are liberal in their philosophy, and there is nothing wrong with that. That is the “L” word, and there is nothing wrong with it. Either you are liberal or conservative. It just means how much involvement we want the Federal Government to have in our lives. If we want more Government involvement, we have to raise taxes and pay more.

Fortunately, for the people of America, they can get out of this environment that we are in right now and not just listen to what we say, but they can look and see how we perform. We are rated in every area by different rating organizations. If people are concerned about how we are on social issues, family issues, they can look at the Christian Coalition rating and see how we have voted. If they want to know how we are on regulations and business issues, they can look at the National Federation of Independent Business. They have a rating system, and they will tell you. You do not have to listen to us. They will tell you who is for less Government involvement in our lives.

We are the most overregulated nation in the world. That is why we are not globally competitive. Look and see how we are rated. If you want to know who the conservatives are, do not listen to us. I have yet to hear anybody go out on a stump and say, “Vote for me, I want to spend more money.” They do not say that. So do not listen to us. Look and see how we are rated.

The National Taxpayers Union uses ratings of A, B, C, D, or F. Those are the five ratings. Of those individuals—the 33 Democrats who voted last year against the balanced budget amendment—I am sure the same thing is true this year, but we have not had enough time to get the ratings—they were rated either a “D” or an “F” by the National Taxpayers Union. So they are liberals. I do not know why they are ashamed of being a liberal. I have yet to hear a conservative being embarrassed about being a conservative. But many liberals try to say, “I am moderate,” or “conservative.”

Here is the last thing I was personally chastised for. Here is a photo of two little children, which I did not use last night. I used a photo of my newest grandson. These are my two other grandchildren. They are the same age and are children of two different sons. This is Maggie Inhofe, and this is Glade Inhofe. What I was getting across yesterday was that the balanced budget issue, and the deficits in this country, is not a fiscal issue; it is a moral issue. These are the faces of innocence, who did not do anything wrong. This is little Jase, who was born January 9. The day he was born, at the moment he took his first breath, he inherited a \$19,000 personal debt as his share of the national debt. He did not do anything wrong. These kids were born 3 years ago.

So I think we need to look at the whole subject of a balanced budget

amendment as the only way we can discipline ourselves. We demonstrated that very clearly. Let us not think about what it is going to do to the people up here today. It is not going to affect us. It is the next generation that is going to have to pay for it.

I suggest to you, Mr. President, that we did a great disservice yesterday to all of Americans, to future generations, when we passed up an opportunity to pass a balanced budget amendment to the Constitution. We are going to do it; it is just a matter of time. We may have to do it in the next legislature, or when there is another President in the White House. But we are going to do it, so that these guys right here are not going to have to pay for our extravagances. It is a moral issue.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I understand you will be relieved as the Presiding Officer in a moment. At that time, I will yield you up to 10 minutes to speak on this question.

Parliamentary inquiry: It is my understanding that, under a unanimous consent, I will be controlling an hour from approximately 10 until 11 o'clock, is that correct?

The PRESIDING OFFICER. The Senator was to control the first hour of morning business.

Mr. COVERDELL. Mr. President, I ask unanimous consent that I be allowed to control the time from now until 11 o'clock.

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

#### BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. COVERDELL. Mr. President, in the last several days, as we have debated this very historic constitutional amendment, Thomas Jefferson has been quoted over and over because of his early recognition that there needed to be a constitutional provision for balancing the budget.

I want to read one other quote that was sent to me by a Georgian, and then I will yield to the Senator from Idaho. This is what Thomas Jefferson said:

Men, by their constitutions, are naturally divided into two parties: One, those who fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes; two, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and stable.

This debate was on this point because we were, through our efforts to pass the balanced budget amendment, endeavoring to put to the people the question in the several States which would have had to ratify. Those opposed it, in my judgment, were fearful of turning the question over to the people of the country.

How unfortunate, as you have just alluded, Mr. President, the Senator from Oklahoma.

Mr. President, I yield to the Senator from Idaho up to 10 minutes.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, let me thank my colleague from Georgia for taking out this period of morning business to discuss and to continue the important debate that occurred on the floor of the Senate yesterday in relation to a balanced budget amendment to our Constitution.

The Senator from Oklahoma, who is now presiding, related his experience in the beginning of this movement that started in the mid 1970's when Senators and Members of the Congress recognized that there was growing in this city an insidious appetite that was spawned by interest groups and citizens—that somehow the way you solved nearly all social problems in this country was to put government money at it, and that it was justifiable in doing so to deficit spending. We began to hear the clock of debt tick at that time—hundreds of thousands of dollars, and finally billions of dollars, as the Senator from Oklahoma spoke of.

When I arrived here in the early 1980's we were still in the hundreds of billions of dollars, just breaking into the first trillion. It was in that period of time, in 1982, that the former Congressman from New York, Barber Conable, who had picked up the idea that had been started here by Senator Curtis, was retiring. He had heard me speak on the floor of the House. He knew I had done much of what the Senator from Oklahoma had done—had passed a resolution in my State of Idaho asking for a balanced budget amendment and that the Senate and the Congress of the United States should issue that report so that the States, under article V of the Constitution, could go through the ratifying process.

Barber Conable came to me, and he said, "Congressman CRAIG, I am leaving. Why don't you take this issue and work with it? Make it a national issue. Work with our other colleagues because some day the American people will recognize what is going on in Washington, and they will insist that it be stopped."

That was 1982. Myself and CHARLIE STENHOLM, the Democrat Congressman from Texas, began to do exactly what the Senator from Oklahoma started in the mid 1970's in his State legislature. We began a national movement traveling to all of the States of the Nation, to those State legislatures, asking them to petition the Congress of the United States, because without that, without that extraordinary pressure from across the country, we did not believe the Congress would bow to the wishes of the people because the pressure from the interest groups, the pressure from a growing Government,

would simply cause them to continue to deficit spend.

That was a \$1 trillion debt. That was 1982, and this is 1996. We now have a \$5 trillion debt. Senator Curtis was right. Congressman Barber Conable was right. The National Taxpayers Union was right. Now the American people understand better than they have ever understood before that somehow this has to be stopped.

Throughout the 1970's and into the 1980's you could always poll the American people and say, "Should Government balance its budget?" And the answer by 65 to 75 to 80 percent was, "Yes, they should. We have to. We have to do it with our personal businesses and our personal home accounts, and the Government ought to do the same." But you could never get that high when you asked the question: "Should there be a constitutional amendment requiring it?" Because a lot of people did not think we ought to go the extraordinary route of using the organic act of our country to force our Government into compliance with the wishes of the people; that that was held for unique and special exceptions, and that our organic document of the Constitution should be rarely changed. We know that in the history of our country—the 208 years of history—that we have only changed that document 27 times.

But finally, in a poll just a few weeks ago, when the question was asked, "Should there be a constitutional amendment requiring a balanced budget?" all of a sudden that had skyrocketed to 83 percent of the American people. That is an all-time high. Not that the budget should be balanced—I think that is almost unanimous—but now that we should use the organic document of our country to force this issue. Because what the American public instinctively knows is that the growth, the phenomenal movement of a budget into deficit and into debt that now scores \$5 trillion, and that this year we are going to deal with the 1997 budget with over \$300 billion of interest; and that that interest will be more than we will spend on defense, or will be more than we will spend, within a few dollars, of Social Security; that somehow the American people are beginning to say, "Isn't it true that, if you continue to accumulate that debt, somehow one day almost all of the budget would be interest?" Well, no. I do not think that would occur. But significantly the largest segment of the budget would be interest.

That is the impact on Government, and that is the impact on taxpayers.

What is the impact on personal lives, and on the young people who are here helping us as pages in the U.S. Senate, when they get to be 35 and 45 years of age? Even this President, who does not agree with a balanced budget amendment, and until 1994 when he began to be a born-again moderate after having been a 1992-94 very liberal President with large tax increases and large

spending programs, even his government, his appointees, said these young people will be paying 75 to 80-plus percent of their gross income just to pay for government.

So you have to ask them: "Well, then what would you be able to do to own a home, to fund a college education of your child, to have the American dream that all of us expect for ourselves and our children? Is it possible that debt could eat it all away?" Yes, it is.

That is why the debate yesterday was so significant, and that is why the Senator from Oklahoma is absolutely right. The vote yesterday was, without question, one of the most significant votes that this Senate has taken. I honor Senator BOB DOLE for bringing it up again, forcing the political issue and causing the American people to see who is for a balanced budget amendment to our Constitution and who is against it.

It is very important that they understand the forces that work in Washington and the forces that resist the idea of fiscal responsibility with no real answer to how you deal with a \$5 trillion debt and 300 billion dollars' worth of interest on debt and an ongoing deficit. We have offered that solution. We have offered it in the form of an amendment to cause it to happen on an annualized basis.

Last year, we put forth a budget that would bring us to balance. The fiscal responsibility that the American people have asked for is here. It is here in the majority party of the U.S. Senate which has brought about those kind of efforts and will continue to until it is the fact of the organic law of the land that we operate continually under a budget that is balanced or near balance. That has to be the goal of this Congress and for future Congresses and the responsibility of those who serve in the U.S. Senate. It is for our future; for our children and your grandchildren's future, Mr. President, that you showed us those marvelous pictures of this morning. If we fail to do that, we will no longer be a great people. We will no longer be a great people. We will no longer have a system of Government that is the envy of the world because it will be weak and anemic, and unable to provide or unable to cause the environment that creates the kind of human productivity that has historically been the mission and the great gift of this country. We will steal from all by destroying it with debt. We now have an opportunity to change that, and I hope that in the next Congress we bring that about and that we have a President who presides in the White House who will not openly fight us and resist us, but who will encourage and embrace the idea of a balanced budget amendment to our Constitution.

I thank my colleague from Georgia for acquiring this time to debate and to continue to discuss this critical issue.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, while I have you both here, I want to thank the Senator from Idaho and Senator from Oklahoma, who have been here a bit longer than I in Congress, for the extensive and committed and dedicated work each of them have committed, not only to a balanced budget amendment to the Constitution, but to disciplined financial management of the affairs of our Nation for all the years in which you have been here. Your States and America owe you a great debt.

Mr. President, these numbers get to be beyond what, I think, a lot of people can comprehend in their own home or business, but the fact that we have not had a balanced budget has had a massive impact on every family in America. I am going to talk about a Georgia family, a typical Georgia family, but it would not be any different in Oklahoma or Arizona or California. These are all going to be very similar pictures, no matter which State you look at.

This family earns, in Georgia, about \$45,000 a year. They are a family of four, typically. For the most part, today, both parents work, which I will come to in a minute. We have been talking about 5 trillion dollars' worth of debt and an expanding, exploding Federal Government. Margaret Thatcher was in Atlanta not long ago and she said something to the effect: Just remember, when anybody says to you I am going to do something for you, remember that they have to first take something from you to do it.

Her statement could not be more true for this Georgia family. They make \$45,000 a year, and the total Federal taxes on their income is about \$9,511. The total State and local taxes are \$5,234. The estimated cost of Federal regulations to the family, in other words, the price they have to pay when they buy a loaf of bread, to pay their share of all the regulatory apparatus that we have set up over the last 30 years, is \$6,650. That is more than their annual car payment. That could be worth about two annual car payments. And then they have to pay, because of that \$5 trillion debt we are carrying, that pushes interest rates up, so they have to pay \$2,011 for their share of the higher interest rates.

When it is all said and done, half their income has been consumed by Government apparatus and Government programs. If Thomas Jefferson were here—he could never have perceived that our Government, the Government that those valiant Americans fought for and put in place, that Government would consume half the wages of bread winners. He is turning in his grave. And he warned us of this over and over and cautioned us, which is why he recognized that there should have been a statement in the Constitution that would have called for a balanced budget.

The fact that we have not had a balanced budget amendment in place, we

have not forced Congress to have balanced budgets in place, means that every family in America has to pay for these unchecked and burgeoning governments. In fact, they work half the year for these governments now.

Imagine, the Fourth of July is not only Independence Day, it is the first day you get to keep your own check. Who would have ever thought that, that an American would work from January 1 to Independence Day? Independence Day is going to take on a new meaning. We need to have signs all across the country, "Today you get to keep your first dime."

We have depended throughout our history on that American family to get America up in the morning, get it to school, keep a roof over its head, educate it, keep its health and, yes, instill it with the spiritual belief in this country so that there would be a continuum of leadership.

This practice, the failure to have a balanced budget—we have had one balanced budget in the last 36 years. No wonder America is so anxious. She ought to be. This is dangerous. This has made it very difficult for that which we depend upon, the American family, to do what it is supposed to do. They cannot get it done right.

Yesterday I referred to an editorialist in the Maryland Constitution, Marilyn Geewax. She thinks what is wrong in the American family is that they are greedy, they have too many electric toasters. I can tell her, that is not what is wrong in America. What is wrong in America is there is not enough left in their checking account to save or to do the things that we ask them to do.

Mr. President, I see we have been joined by the distinguished Senator from Texas. In a moment or two, I am going to yield to her. But before I do, I wonder if I can put these two quotes up here.

There was a quote by Representative STARK, on the House side, that he made Wednesday, that makes it imminently clear why the other side, and the President—we have not talked enough about it. If it were not for the President, we would have passed the balanced budget amendment. It rests right at his feet. He did not want that balanced budget amendment to pass. He said so. And that is why these six Senators changed their votes; they did it in deference to their President. But read this quote:

To fix the longer-term problem—

He is talking about the fact that also last week, in addition to talking about a balanced budget amendment, we were told Medicare is going broke faster than we thought. But he said:

To fix the longer-term problem, Mr. Stark [of the House Ways and Means Subcommittee on Health. He is the ranking member] said, "Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raising payroll taxes."

If we had a balanced budget amendment, you could make a big "X"

through that statement. They cannot afford to have a balanced budget amendment when they talk about the Government takeover of medicine and creating yet a new entitlement that would be larger than Social Security in 2 years.

Do you want to know why they do not want a balanced budget amendment? That is why. They cannot afford to have the discipline that a balanced budget amendment would have brought about. The family that is going to suffer is this average family, because they are the ones who are going to pay for that. They are already paying half their income. What do you think would happen if that situation came up?

Mr. President, I yield up to 15 minutes at this time to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Georgia for taking this time to really talk in a little more detail about why we need the balanced budget amendment to the Constitution. What happened yesterday, and its policy ramifications, really needs to be discussed so that the American people see that just because we are trying in this Congress to go toward a balanced budget does not mean we do not need a balanced budget amendment.

In fact, I think when the American people have seen how very hard it is to balance the budget or to even have a 1-year budget that moves toward a balanced budget, and when they see how slow the progress has been and they see, even though we have tried to make the tough decisions—Medicare reform, Medicaid reform, welfare reform—these have been vetoed by the President and, therefore, we are still at ground zero. The American people see this.

So, for Heaven's sake, does that not make the argument that we need a balanced budget amendment, because if we can ever get the deficit off the plate, if we can look at the year 2002 toward that point where we will have a balanced budget, don't we need to say no future Congress will ever be able to get out of control again? Don't we need to put in what Thomas Jefferson worried about, that we should have put in the Constitution in the first place, and that is that no future Congress can put debt on generations in the future, that no Congress will be able to say we want to spend this money now, but we want our children to pay for it.

Thomas Jefferson worried about that. It was one of the two things he was concerned with that had not been addressed in the Constitution.

The other one is term limits, and I think that probably bears on the problem we are having right now. We have too many people who have been in Congress too long who have not been in the real world who have continued to put off the tough decisions. These are people who talk well. They are people who say, "Oh, we want a balanced budget;

of course, we want a balanced budget. We'll make the tough decisions later," or "We will let somebody else make the tough decisions." That is what Congresses have been doing for 40 years, and it is what Presidents have been doing. That is why we are in this mess.

So, of course, we need a balanced budget amendment to the Constitution. It would not take 2 years for a balanced budget amendment to be ratified by the States; that is, if the people are consulted, because the people know. The people of America are not stupid. They know the difference between a balanced budget and stability and the future of their children and out-of-control spending, spend-now-pay-later policies that they have seen for so long out of Washington, DC.

The opponents of the amendment, as was pointed out by my colleague from Georgia, really use scare tactics. Let me go through a few of those. This is just a gimmick. Don't you think if this were a gimmick that Congress would have tried it before? I mean, 40 years of gimmicks, I think I have seen just about everything. I think they would have thought of this if it were a gimmick. They say this will tie the Government's hands. "What are you going to do if you have a war, if you need an emergency expenditure?"

There is a safety valve. You can pass an unbalanced budget with a three-fifths vote, and I think if we were in a crisis in this country, if we were needing to go to war and support our troops, I believe three-fifths of the duly elected representatives of the people of this country would be able to come to that conclusion. But I do not think three-fifths of the duly elected representatives of our country would go into a deficit situation for just another social program.

They say this will bring on another depression. You have heard that one. Bring on another depression? The money is going to be spent. People earn money, they send part of it to the Federal Government or they keep it.

Now, where is the recession here? The recession is not going to be caused because there is going to be less Government spending. If we have less Government spending, that means there is more money in people's pockets. It is their money, it is not ours. I just love these people. I think the Senator from Oklahoma, who is sitting in the chair, has heard the people on the floor say: "Oh, we can't have that tax cut, it would cost the Government \$300 billion."

The Government? Whose money is it? It is not the Government's money. Money belongs to the people in this country who go out and work every day. It is their money. The Government will not lose \$300 billion if we have a tax cut.

I would ask the question a little different way: How much will it cost the hard-working American taxpayer if we do not cut their taxes by \$300 billion?

We are not talking about lower spending here; we are talking about who makes the decisions. We are talking about whether you decide how you spend your money for your family or whether you send your money to the Government for them to decide what your priorities should be.

It is a matter of priorities and who makes the decisions. That is one of the reasons why the Republicans said very clearly, when we put our balanced budget forward over 7 years, that we had a \$245 billion tax cut package, because we knew that if we were going to slow the spending in the public sector market, that we wanted to increase the spending in the consumer market.

The difference is who makes the decision. That is why we put tax cuts in our balanced budget. It is why we have a \$500 per child tax credit. It is why we have IRA's for the homemakers of this country so that the homemakers of America will have the same retirement security options that anyone who works outside the home has. It is why we have capital gains tax reform, so that our small businesses will be able to make those investments that will create the new jobs and help the economy grow. It is why we have inheritance tax reform. It is why we do away with the marriage penalty, or significantly reform it, because we know that the American family deserves to have more of the money they earn to spend for their families.

So causing another depression is out of the question. In fact, our economy will boom if we will pass a balanced budget amendment. The markets went up just because it looked like we had the chance to do it a year ago. Last year, the market went up because they had the impression that Congress was finally going to "gut up" and do the right thing. We lost it by one vote.

It was a great disappointment, but the market knew. The market knew that by lowering interest rates two points, which is what the balanced budget would do, that we would save money for every person in America who is paying a home mortgage, that we would save money for every person in America who is borrowing to buy a car, that we would save money for every person in America who is borrowing to go to college. The markets knew the stability that would be created by a balanced budget amendment to the Constitution.

Last, but not least, they have really talked a lot on this floor about raiding Social Security—raiding Social Security—if we balance the budget. I ask the question to anyone in America: Would you trust a Congress that cannot balance its budget to keep Social Security intact? If someone does not have the guts to have a balanced budget for our Government, can they be trusted to keep the integrity of the Social Security system?

Frankly, I think that is why our younger generation does not think they will ever see Social Security, because they see a Congress that cannot

even balance the budget or even pass a constitutional amendment to balance the budget for the future, and they think, "Now, if they don't have the ability to do that, I really don't think I'm ever going to see Social Security."

So, Mr. President, I think passing the balanced budget amendment is the most important policy decision that we would make in our lifetimes of public service. I think if we do not take that step, we can wait for our grandchildren to ask the question, "You were there back then. Why didn't you do something?"

I saw the picture that my colleague from Oklahoma showed of his grandbaby on the floor. I am horrified to think that that baby is someday going to meet me or talk to the Senator from Oklahoma and say, "You know, why didn't you do something back then when you could, so that I could afford to send my children to college, so that I would have a good job in a great economy in the land of opportunity?"

Mr. President, if we do not pass a balanced budget amendment that is responsible for the American people, we are not going to be able to face our grandchildren, we are not going to be able to answer the question. So if our colleagues will think about the long-term future of this country, or if the people who are looking at voting for a U.S. Senator on the ballot next year will ask that person the question, "How do you feel about a balanced budget amendment to the Constitution?" I mean, you only can say one of two things: "I'm for it," or, "I'm against it."

If the people of this country will rise up and say, this is the most important issue, then our grandchildren will not have the question, because it probably would not ever occur to our grandchildren that we would not balance the budget of this country when it is on our watch.

So, Mr. President, I think the time has come for the people of America to weigh in on this issue. They saw the vote yesterday. They saw that we are within five, six, seven votes in this Congress of passing a balanced budget amendment to the Constitution, which will need to be ratified, so the State legislatures will have a chance to weigh in on this as well. I do not worry about the legislatures ratifying it, if we will have the guts to do what is right in this Congress.

Mr. President, it is all a part of what we were elected to do. We did not run for the U.S. Senate thinking it was going to be an easy job. We knew, especially those of us who have run in the last 2 years, we knew that we were going to have to make tough decisions to turn around 40 years of bad decisions.

I have been a small businessperson. I bought a little company that was on the ropes. I had to make tough decisions to turn that company around. I did it. But it was not easy. That is the

exact issue we are facing here on a much bigger scale, because the people of America are depending on us to make this tough decision for our country. They know that we are not going to agree on every budget cut that it will take. They do not expect that. But they do expect a responsible decision.

Mr. President, I will just close by saying, there is only one way to prevent the most dreaded question that I can ever imagine. It is not from one of my constituents calling in or someone that I will see in Texas; it is not from a news reporter. It is from my 5-year-old grandchild, in 20 years, who would say, "Cake, you were there back then. Now I am going to have a child, and I can't afford to send my child to college. Why didn't you do something?" That is the question I do not ever want to hear.

The way we can assure that we will never have that question in our families is to pass the balanced budget amendment to the Constitution because we know how hard it is to do what is right. We know the resistance that we have faced. We know that if we can ever get it to balance, that we should never again allow a future Congress to mortgage the future of our children.

Thank you, Mr. President. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Texas and hope that her wish of not ever having to answer that question can be fulfilled while she is here representing the State of Texas in the U.S. Senate.

Mr. President, I yield up to 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

I thank the Senator from Georgia for once again bringing together a group of Members to discuss an issue of significance. He has been doing an outstanding job, I think, of trying to make sure the public understands exactly what it is that is happening here in the Senate of the United States with the crisis and what the prospects are for our future.

Today, I will continue this discussion about the balanced budget. There seems to me to be two fairly clear questions that Americans need to ask themselves. First, why do we need a balanced Federal budget? Second, why do we need a balanced budget amendment in order to have a balanced budget?

The first question was really one that I think was addressed pretty effectively last year. That was the need for bringing the Federal budget into balance.

The fact is that, as numerous Members have indicated over the last couple of days, a balanced budget means for most families in this country the

chance to keep more of what they earn and to spend more on their own priorities rather than spending more money on interest payments, on things like new car loans, mortgages for their homes, the repayment of student loans, and so on, as has been very effectively documented, Mr. President.

When our Federal Government is forced to go into the borrowing markets at large levels and compete with private investment, the price of private investment goes up, interest rates go up. When people want to buy a new home, and in many cases their first home, they find that it is unaffordable today because of interest rates. When people need to obtain a new car, they find that it may be not the car they need for their families because of interest rates. When students start to try to pay back their student loans, they find it extremely difficult because of interest rates.

The reason interest rates are high, Mr. President, is because the Federal Government is borrowing so much money. The way to end the Federal Government's borrowing is to bring the Federal budget into balance. That is what we have been trying to do here. But the goal is not just simply to balance the budget one time in the year 2002, as we have been focused on; it is to keep the Federal budget under control and the growth of Federal spending under control well beyond that date.

There is a very simple reason why 2002 has to mark the beginning, not the end, of the efforts to balance the budget. As we have learned and as I think economists on all sides now would agree, projecting the growth of Federal spending out beyond the year 2002, projecting the growth of entitlement programs as they at least currently are expanding, will find the Federal Government by the year 2010, 2012, 2013, depending on your analysis, but some point about 15 years from now at the point where literally all Federal revenue, all tax collections in total, will only pay for the interest payments that have to be made on this huge Federal debt and for the entitlement payments that will be required at the current rate of growth of Federal spending.

That means not \$1 for national security, not \$1 for education and training, not \$1 for law enforcement to protect the safety of our citizens, not \$1 for transportation and infrastructure, not \$1 for any other priority unless the Federal Government borrows that \$1 or prints that \$1.

We know we are not going to go back to the days of the printing press, Mr. President. So that leaves only one option: The further borrowing of money at levels far greater than we ever have before. If we do not bring the growth of Federal spending under control and balance the budget today, that is the prospect, that is the future we look forward to. In fact, it would require so much Federal borrowing that I think



private investment in this country would effectively be crowded out entirely, bringing us the kind of economic crisis that we have never confronted before as a nation. That is the future.

The question is, Why do we need an amendment so we do not bring about that future? I think what has happened over the last few months is a pretty clear indication exactly why we need a Federal balanced budget amendment in our Constitution.

The fact is, Mr. President, we now have virtually everybody singing, it would appear, from the same song sheet. We should have to balance the Federal budget. The President says it, although a year ago he did not. The Members of the Republican party in the Senate and the House of Representatives have, not once but twice, passed a balanced budget. This year Democratic Members and Republican Members on the Senate side got together and offered a third version. The fact is, everybody now says they are for it; and everybody in Congress has now found a balanced budget they could live with and vote for. But we still do not have it. The reason we do not have it, Mr. President, is very simple: There is no discipline in the process that requires us to come to final agreement.

So the President, as we saw last winter, could call down leaders of Congress and spend hours talking in generic terms about the Federal Government and how he wanted to balance the budget, but no one was under the pressure that a constitutional amendment would bring in order to balance that budget.

Mr. COVERDELL. I yield 5 additional minutes to the Senator from Michigan.

Mr. ABRAHAM. I thank the Senator from Georgia.

For that reason, we have deadlock. For that reason, we did not reach cloture. For that reason, there was no finality. On we went, on we go—people all claiming to be for a balanced budget, but not willing to make the ultimate tough decision to get there.

As we saw last year, the President would say 7 years, 9 years, 10 years, whatever amount of years seem to satisfy the audience, voters, or polls. We did not get the balanced budget. Mr. President, it is imperative that we do so. We have to consider exactly where the country will be if we continue to flounder along.

As we learned yesterday, just to take one specific program area, Medicare, we know where we are going to be if we do not bring about the kind of discipline in the fiscal process that the Senator from Georgia has been talking about the last 2 days. Where we will be in the year 2001; the Medicare trust fund will go bankrupt. We are no longer talking, as has been the case in the past, in general terms about a bankruptcy somewhere in the distant future. We are not talking, as even we were last year, about having 7 years to solve the problem. We are talking

about bankruptcy of the Medicare trust fund on our doorstep in 5 years. We are talking for the first time, Mr. President, not about the Medicare trust fund running a surplus, but it is now running a deficit.

If that is not enough of a wakeup call, I ask my colleagues, what would it take? Obviously, there are some who believe you can continue to put this off. Indeed, the Senator from Georgia today brought us this card which quotes from Wednesday's Washington Times: "The Democrats said they are not concerned that Medicare will go broke because Congress has always acted at the last minute to avert disaster." That may have been the way the Democratic Congress acted in the past. This Republican Congress does not believe in putting off and putting off and putting off the solutions to the problems that Americans, particularly that our seniors confront, Mr. President.

Not only that, but we understand if we do not solve the problem today with a well-thought-through plan, the only alternative way to fix the problem at the last minute will be the kind of plan that I do not think most Americans are going to want or going to tolerate. In fact, we have a sense of what that plan will be. Congressman STARK from California, who is the ranking Democrat on the subcommittee of the Ways and Means Committee that oversees the funding of the entitlement programs, the person who would be chairman of that subcommittee if his party were in charge of the House of Representatives, said the Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raise payroll taxes.

For Americans who are trying to understand the difference between what we are suggesting on our side, Mr. President, and what the opposition is suggesting, I think this quote probably encapsulates things about as vividly as it possibly could. The Republicans had offered a plan here over a lengthy period of time to reduce the growth of spending in entitlement areas—not cutting, but just reducing the growth of that spending—through more prudent and efficient operation of these programs, by giving seniors, to take the Medicare case as an example, giving seniors the kind of choice the rest of us have as to how we will deal with our health care, but basically preserving intact a system that gives individuals control over how they take care of themselves in the health care they receive.

Now, if we do not address this problem in the fashion Republicans are offering, to avert disaster and bankruptcy in Medicare, the alternative will be this: A system the Democrats will design that will include either the hiking of payroll taxes or a total Government takeover of the health-care system. I actually predict, Mr. President, that if we wait any longer, under the Democratic scheme you will get both of these—not one, both.

So that, Mr. President, puts it in pretty clear contrast, what the options are for Americans today. If we balance the budget, if we put a constitutional amendment in place that requires discipline not just for 1 year but for the future of this country, then we can guarantee our children the kind of security that we have had, the kind of knowledge that if they work hard, play by the rules and do their jobs, they will have choice over their destiny. If we do not, their destiny is going to consist of higher taxes, Government-run health care, and more Government intrusion into their lives.

As far as I am concerned, Mr. President, when I talk to the people of my State, the answer to this question is pretty simple. People in Michigan want to control their own destinies, give their children more opportunity, and see the Government run the way their families are run. Keeping their own budget balanced is a challenge most American families and almost every Michigan family confronts every day. I think we should expect no less here in Washington.

For that reason, I am very disappointed the balanced budget amendment failed. I continue to join and will join with the Senator from Georgia and others to do our best to make sure sooner or later the balanced budget amendment to the Constitution passes.

Mr. COVERDELL. I thank the Senator from Michigan for the very eloquent statement on the purpose of passing a balanced budget amendment and the consequences, as well, of not having one.

There have been many accolades in the last couple of days for the Senator from Illinois. The leader on the other side of the aisle endeavored to try to convince the President and his side of the merits of a balanced budget. In his remarks which he made the other morning on the floor, I want to quote them, I was here, he made a very eloquent statement about why this country needs a balanced budget amendment. He said, "I was reading the other day and came across where John Kennedy in 1963 complained about the huge amount of money that was paid for interest for which we get nothing." That is something to be remembered. It does not buy any service. It does not buy a tank or defend anybody. "He complained about the huge amount of money being paid for interest for which we get nothing. Do you know what the gross interest expenditure was in 1963? Nine billion. That is a terrible waste of money."

But do you know what the latest Congressional Budget Office figures are for this fiscal year, gross interest expenditure? Mr. President, \$344 billion. From 1963 to 1996, from \$9 billion interest payments to \$344 billion, and going up.

The point that Senator SIMON of Illinois was making was that if we had a balanced budget amendment to the Constitution, we would not be paying



\$344 billion in interest payments. Those resources would be available to return to the American taxpayer, to this Georgia family that is losing half of its income to government, so that they could do the job we are asking of them.

Mr. President, it was a very disappointing vote yesterday. It was exceedingly costly to every American family. A balanced budget would save the average American family \$2,388 a year in mortgage payments, \$1,026 in a 4-year car loan, \$1,891 over a 10-year student loan.

The net effect of having passed a balanced budget amendment, the net effect of having balanced budgets would immediately leave \$3,000 to \$4,000 in the checking account of this average Georgia family—\$3,000 to \$4,000. That is the equivalent of a 10- to 20-percent pay raise. That is what we are talking about.

You get passed it all, talking about the checking account of a typical family at work, doing what they have to do to get the country up in the morning, to get it to school and get it ready. We have impaired, drastically, their ability to do it. Passage of a balanced budget amendment to the Constitution, as Jefferson called for, as Senator SIMON called for, as Senator DOLE called for, is the best single thing we can do to protect the integrity of these working Americans all across the land, tomorrow and for the year to come.

I see the time I was allotted has expired. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, I ask unanimous consent that I may speak as in morning business for up to 10 minutes.

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

#### MEDICARE TRUST FUND

Mr. COCHRAN. Mr. President, first, I want to commend the distinguished Senator from Georgia [Mr. COVERDELL], and those who spoke this morning on the subject of a balanced budget amendment and the unfortunate consequences of our failure to deal with the problem of the ever-increasing deficits.

We also had a few of those Senators mention, as an aside, the problem with the Medicare trust fund. I wanted to remind Senators that we had a hearing yesterday in the Appropriations Subcommittee that funds the Department of Health and Human Services, and Secretary Donna Shalala came before the committee to present the President's proposed budget for that Depart-

ment for the next fiscal year. She serves, along with others in the administration, on this panel of trustees, whose responsibility it is to monitor and help keep Congress and the administration informed about the integrity of the trust fund, and supports the Medicare Program.

The trustees, earlier this week, talked about the fact that the worst case scenario for future deficits in that program had been exceeded, and that rather than having the program go bankrupt, be hopelessly insolvent by the year 2002, it was going to be bankrupt earlier. By the year 2000, it would be out of balance by over \$30 billion, and the following year, it would be out of balance and in deficit at the figure of \$100 billion.

The consequences of this report have to wake up everybody to the realization that unless Congress and the administration quit playing politics with this issue, it is going to be insolvent. This program is going to be in jeopardy, and benefits are going to be in jeopardy as well.

I think the time has come for us to say, OK, the Republican Congress passed a balanced budget act last year. It included in that suggested reforms in the Medicare Program that would have put it in balance, would have kept it solvent, would have made some needed changes in the program to give older citizens more choices, more protection, so that their medical expenses and benefits could continue to be paid through this program.

The President vetoed the bill. He rejected the balanced budget act. So we started over again. This year, the Budget Committee is wrestling with the problem of reconciling budget resolutions, which contain projected expenditures under this program, as well as all other Federal programs, with an effort to continue to build toward a balanced budget plan as soon as possible. Their projection is the year 2002.

What I am going to suggest is that, in this politically charged environment of Presidential politics and campaigns for House and Senate seats underway—and we have to admit it—it is unlikely that this administration is going to change its mind and embrace the Republican proposals. And so we have to acknowledge that.

The President, at the same time, has made a counteroffer, as I understand it, and has proposed some changes in the Medicare Program, which would achieve savings of \$116 billion over the same period of time. The Republican proposals would have achieved savings of almost \$170 billion.

Let us say, OK, Mr. President, have it your way for the short term. Let us introduce the President's proposed changes in the Medicare Program. Let us accept his proposals for changes and cuts in the Medicare Program and enact them next week, or the week following. If the reconciliation bill from the Budget Committee's resolution is vetoed by the President or not sup-

ported by the Democrats in that area of the budget, let us isolate the Medicare Program changes and enact some changes.

I suggest, let us enact the President's proposed changes and cuts in the program and, at the same time, establish a commission—which the President has recommended, the trustees have recommended in their report, including Secretary Shalala, Secretary Reich, Secretary Rubin, and others, who serve on that trustee panel—to recommend long-term changes in the Medicare Program that would ensure its solvency and protect the benefits for the older citizens in our society over the long term.

I do not see anything wrong with that. As a matter of fact, I have been suggesting that that be considered as an alternative. If Congress and the President cannot agree on what changes ought to be made, get a commission together, much like the Base Closure Commission, or the Social Security Commission, which was formed in 1983 and chaired by Alan Greenspan. It made recommendations to save the Social Security trust fund from bankruptcy, and Congress and the President agreed at that time to accept the recommendation of that commission and implement it.

That ought to be a part of this legislation—that we establish that commission, agree to implement its recommendations, and have a vote on it. If you do not want to implement them, vote no; be against everything. But we have to come to terms with the reality of the situation. The longer we wait, the harder the solution is going to be and the more sacrifices that are going to have to be made by everybody—the taxpayers. If we do not make these changes, do you know what is going to happen? Pretty soon, you are going to see the taxes on the employers and employees to fund this program being increased—and by substantial sums.

Now, the older population is getting older and, thank goodness, medical science is wonderful and it is giving us all opportunities for longer lives. But coming with that, too, are added expenses, as you get older, for medical care. Our senior citizens confront the reality every day of this terrible fear, and that is that they will not have the funds, they will not have access to the care they need to enjoy the longevity that they now have, compliments of medical science, good nutrition, and the advances that we have made for good health in our society.

So I say that it is time to stop the partisan politics. Let us quit throwing rocks at each other across the aisle, blaming each other for not getting anything done. I am prepared to say, as a Member of the Republican leadership in the Senate, OK, Mr. President, let us enact your proposal.

I am going to introduce a bill next week, and I hope there will be Senators on both sides of the aisle who will say, OK, let us go along with this suggestion as an alternative to what we have

been getting. And what we have been getting is nothing—gridlock, confrontation, yelling at each other, people getting red in the face, and nothing getting done.

I think the American people are fed up with that kind of politics, fed up with that kind of Government. I am fed up with it. It is time to change. We ought to do it now—before it is too late.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, are we in morning business?

The PRESIDING OFFICER. Let the Chair advise the Senator that he may proceed as in morning business.

#### BALANCED BUDGET AMENDMENT

Mr. THOMAS. I thank the Chair. I will only take 5 minutes. I wanted to do a couple of things. I want to thank the Senator from Georgia for bringing some discussion today as a follow-up to this vote on the balanced budget amendment. I am very disappointed that that balanced budget amendment to the Constitution did not pass. I think there are obviously reasons that it should have passed. Obviously, it was very close to passage. The reasons, of course, have to do with responsibility, with morality of Government, with fiscal responsibility.

Everyone accepts the idea that we should not be continuously spending more than we take in. It has to do with the historic performance of the Federal Government for 25 years, or more, since we have balanced the budget last. Everybody gets up, and the first thing they say is, "Yes, I am for balancing the budget"—the same people who have been here for 25 years and have never balanced the budget. They say, "We do not need an amendment; we will just do it." Well, we have not just done it.

So I am very disappointed in that. I suspect that we will have some more opportunities to do that.

I come from a State where the constitution provides for a balanced budget. Frankly, it works very well. It is a discipline, and the government works within that discipline. It is one of the elements of good government—one of the elements that says, "All right. We want a program. Here is what it will cost. Are you willing to pay for it?" If you are not, if we are not, if I am not, then we should not do it. That is what this fiscal responsibility is all about.

I think the best instance of that, of course, is a property tax where we live. The school district says, "We need a new science building. Here is what it will cost." Is it worth it? You vote. Are you willing to pay for it, or are not you?

I want to talk about a change that needs to take place in the budget process. Last year we took the whole year and deferred getting the budget finished. Now we are in a year of budget-

ing, and we are spending such a large amount of our time on the budget. Congress has more responsibilities than simply the budget. Indeed, the budget is very important. The budget is sort of an outline of what we are going to do. But the Congress also has, and the Senate also has, many other responsibilities, such as oversight, such as seeing if bills that have been passed and are up for renewal have, indeed, been effective, whether they need to be changed, whether they need to be renewed. This is a big job, and we are supposed to be doing that. But instead, we are going back and forth spending the whole year practically every year on the budget.

I have a bill that has bipartisan support that asks for reform in budgeting and doing a biennial budget. I think there is a great deal of merit in a biennial budget. No. 1, it is better for the Government. It is better for the agencies. They at least have 2 years of planning for what they can do in their expenditures; 2 years in which they can plan how to manage their dollars. It is much better for the Congress. It is done in most legislative bodies—biennial budgeting. It has been supported by both sides of the aisle.

The resolution that we introduced this year is supported by Senator DOMENICI, who is head of the Budget Committee, and we think we can make this reform next year. I think, as we spend all of this time on budgeting, we spend the whole year practically on budgeting rather than some of the other things that we ought to be doing in addition to budgeting, it makes it more clear that there needs to be some reform. We need to have a biennial budget.

So, Mr. President, obviously, we are not going to get to that this year. There are relatively few working days left. That will not be one of the issues. I am not naive to think that. But I do say to you that I do not think there is anything more important in terms of restructuring our process than to take a look at biennial budgeting. I intend to bring it up again next year. I have been promised support by those who are much more knowledgeable than I about budgeting.

I recognize that there is always resistance from the appropriators. I was on the Appropriations Committee when I was in the legislature. Appropriators have a great deal of influence over all kinds of things because they control spending, and everybody is interested in how spending is done and how it affects their State. So appropriators are reluctant, of course, to lose the authority that they have every year by going through this process. I am sorry for that, but I think they to do a better job if they do it on a biennial basis.

Mr. President, I appreciate the time. I hope we will continue to talk a little bit about how we might change some of the processes in this Congress; that we talk about results rather than procedure; that, instead of saying we have been doing it for 200 years, maybe so,

but we ought to see what the results have been for having done that for 200 years. There are some things that should not be changed. There are some fundamentals that should not be changed. But there are some processes that are not producing the results that we want, and one of them is budgeting. The result is a \$5 trillion debt, the interest on which is the largest single line item in the budget.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, I ask unanimous consent I be allowed to proceed under the 1 hour that has been reserved by the minority leader.

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

#### REPUBLICAN GRANDCHILDREN

Mr. DORGAN. Mr. President, I have listened this morning to some of the discussion on the floor of the Senate. I felt I needed to come over and speak, at least for historical records, speak to the Republican grandchildren a bit, because the Republican grandchildren have been spoken to on the floor of the Senate about a range of issues. They have been described on the floor of the Senate as victims of legislative problems created this week by a vote on the constitutional amendment to balance the budget.

All grandchildren are affected by what happens in these Chambers, in the Chambers of the U.S. House and the U.S. Senate. Grandchildren will ask the tough questions in the years ahead about the country in which they live, the country in which they are growing up. They might ask some questions about what has made this a wonderful place. There are some who simply cannot concede this is a worthy place to live. They talk about how awful America is. America has gone to hell in a handbasket, they say. America has gone to the dogs.

It is interesting, we have people talking about building fences to keep people out of America because we have so many people who want to come here. This country is a remarkable place, with enormous challenges, to be sure. We have faced challenges before. We faced a Civil War and survived it and came back together. We faced the threat of Adolph Hitler. We faced the threat of a depression. We have survived all of those threats and all of those challenges. Do we have challenges now? Of course; enormous challenges, substantial challenges. But is this a remarkable, wonderful country that the rest of the world looks up to, the rest of the world wants to come to? Of course it is.

At the turn of the century, if you were living in America, you expected to live 48 years. That was the lifespan. Now, at the end of the century, you are expected, as an American, to live approximately 78 years. What accounts for that? A number of things. I have spoken previously about some of them, but let me just describe a few again, at the risk of being repetitious. Our grandchildren and the Republican grandchildren will read the history of these, of course.

The history is well documented of one thing that makes this a better country in which to live, one of the reasons we are living longer. Upton Sinclair did the research at the turn of the century and wrote a book about it. He did the research in the meatpacking plants in our country, in Chicago, and discovered in the meatpacking plants they had problems with rats. How did they deal with the problems of rats in meatpacking plants? Well they took loaves of bread and would lace the slices of bread with arsenic and poison, and lay them around the meatpacking plants and the rats would eat the bread and the rats would die and the dead rats and meat would all go down the same chute and come out the other end as something called mystery sausage and be sold in the supermarkets. Upton Sinclair wrote his book about what he found in the meatpacking plants and, guess what, the American people said, we want to be assured we are eating safe products. And guess what, the American Congress said we are going to make sure when meat is processed in this country it will be inspected. We are going to make sure we are not pushing meat and dead rats down the same chute and pushing it out of the plant and selling it to the American people.

A step forward? Sure. Government intervention? You bet, at the turn of the century, saying this country deserves to have a safe supply of food.

That is one thing that has made this a little better place. There are thousands of others. We constructed, some long while ago in this country, something called the National Institutes of Health and also created something called Medicare. The combination of funding in Medicare and the funding of research in the National Institutes of Health and the genius of some health care professionals around this country have created breathtaking technology that saves people's lives.

It allows people to live longer. People who get old and have trouble with their knees now get new knees. When they have trouble with their hips, they get new hips. When they have trouble seeing, cataract surgery. When their heart blood vessels get plugged up, they get open heart surgery. So we live longer and it costs more. But it comes about because of these breathtaking changes in health care, most of which came as a result of investment by, yes, this Senate, this Congress, the American people, saying we want to make life better for people in this country.

I could go through a litany of things that have changed to make things better, but I will not go through the whole list. I want to say, as you fast-forward to a point in time at which we face these enormous challenges, but at a time in which Americans are living to an average age of about 78 years, a time in which, after 20 years, when we have doubled our use of energy in the last 20 years we have cleaner air and cleaner water—why? Why would we have cleaner air and cleaner water when we have doubled our use of energy in the last 20 years? Because the Congress said to polluters: "You are not going to be able to pollute anymore. You're going to pay a penalty if you pollute. We demand on behalf of our kids and grandkids that we have clean air and clean water in our country."

Is it perfect? No, but would anyone 21 years ago have predicted if we doubled our use of energy we would have cleaner air and cleaner water? No one would have predicted that. It has happened. Why? Because the Congress said to those who were polluting America's air and water, "You can't do it anymore."

Interference? Regulation? Yes. Are some people angry about it? Yes. Some of the largest polluters in our country are angry about it. In fact, they have office space over in the House of Representatives.

The majority party in the House said to those folks, "You all come in here and help us write new regulations that allow you to pollute. Let's retract what we have done on clean air and water regulations. We want to give you more freedom to pollute."

It is called Project Relief by the majority party. Thank God for the U.S. Senate that it has not gotten its way through this Congress, because some of us here value clean air and clean water.

I said I wanted to, for historical purposes, speak as well to Republican grandchildren, because we heard this morning about the burdens of Republican grandchildren.

Some grandchild is going to be asking grandpa some day on that side of the aisle: "Grandpa, I read in the books that the Social Security system was actually collecting enough money for Social Security; in fact, collecting more money than was needed in the late 1990's and the early 2000's, and yet, why isn't there money available for Social Security now when I reach retirement age?"

And that Republican grandpa or grandma, if he or she served in the Senate, would probably have to say: "Well, Grandson, that's because we decided that we would take that money that we promised we would save for Social Security and we would use it over here for something else. We wanted to say we balanced the budget, and we also wanted to build a star wars project and we wanted to provide tax breaks and we wanted to give fairly significant tax cuts, half of which would go to people whose incomes are over \$100,000 a year,

and we couldn't do all that unless we took the Social Security money and used it over here as operating budget revenues so we could claim we balanced the budget. So, Grandson, in short, those were our priorities."

Maybe they would say, "Grandad, what happened to the jobs? I went to school, I got my college degree and, Grandad, I don't understand, there's not a good job here."

Maybe the grandad would say: "Well, you know what happened to us is we felt we needed to help big business when we were in Congress. So what we decided to do is provide a big, juicy tax break to businesses who would move their jobs from the United States overseas."

And they are going to say: "Grandad, that doesn't make any sense, why would you do that? Why would you encourage people to move jobs out of the country? You knew I was in your family, you knew I was going to go through the school system, you knew I was going to need a job some day. Why would you encourage corporations to move American jobs overseas?"

"Well, that's just our philosophy," they would say, "because we think the big, big corporations are what make the world tick. It is our trickle-down/supply-side notion: If you make the big bigger and the rich richer, somehow everybody else would be better off. So we gave tax breaks to companies who would move jobs overseas."

I have a hunch some of these grandkids who were discussed earlier this morning on the other side of the aisle are going to be enormously puzzled.

They might look at the RECORD here—because we were told that the majority party had offered a balanced budget and were upset the President vetoed it—they might look at the RECORD and they would say: "But, dad, I don't understand. I looked at the RECORD, and you know what you all did? What you all did was you took a little program called the Star Schools Program, which was designed to target investments in math and sciences and certain star schools to enhance America's education system, and you slashed that at the same time that you said you needed to increase, by over 100 percent, a star wars program. Why was star wars more important than star schools?"

So the father is going to explain to the son or daughter that choice.

"But, grandpa, what about the Head Start Program? Didn't all the evidence suggest the Head Start Program really did work where you make available to a 3- or 4-year-old child who comes from a low-income, disadvantaged family the opportunity to go into a Head Start Program? Didn't all the evidence show that that investment in that 3- and 4-year-old produced enormous rewards, enormous returns?"

"Yes; yes, they did."

"Well, then, why did you tell 60,000 children that they were no longer

going to be eligible for Head Start? If that was a good program, why did you tell 60,000 kids that they don't matter, that star wars was more important, or a tax break to a company that was going to move their jobs overseas was more important?"

Or maybe they will read the *RECORD* and they will say, "Well, grandma, I was reading about that budget debate you all had, and the one thing I don't understand is with all the problems you had with kids and youth crime, you cut 600,000 summer jobs for disadvantaged youth. Why would you do that? Why would you believe that summer work for disadvantaged youth somehow was not in this country's interest?"

And they are going to have to explain that, I guess.

But mostly they are going to have to explain, it seems to me, the contradiction between their assertion that their demand that they change the Constitution now in a way that misuses Social Security funds followed by an agenda that immediately brings to the floor a program that will cost up to \$60 billion more to create a star wars program, immediately bring to the floor a proposal that will cut gas taxes some \$30-some billion in 7 years, a proposal that will substantially cut taxes somewhere in the \$180 to \$200 billion range, much of which will go to upper income people, they are going to have to answer as to how that adds up. How does all that add up so that those children can understand that this was a menu that made sense, and, of course, it is going to be hard for any child to understand that because this does not make sense.

I want to reinforce this, not with my words, but I would like to reinforce it by quoting some others.

David Gergen, who worked for Ronald Reagan, George Bush, and Bill Clinton, writes the following, speaking of the Republican majority:

In their eagerness to satisfy one principle, fiscal responsibility, the Republicans would ask the country to abandon another, equally vital principle—fair play. This is a false, cruel choice we should not make.

When Bill Clinton achieved large deficit reductions—

And they have been reduced substantially—

we pursued the idea of shared sacrifice. Not this time. Instead, Congress now seems intent on imposing new burdens on the poor, the elderly and vulnerable children, while, incredibly, delivering a windfall for the wealthy.

Proposals passed by the House and Senate would rip gaping holes in the Nation's safety net, already low by the standards of advanced nations and once considered sacrosanct.

This from a fellow who has worked for both Republican and Democratic Presidents.

Another quote from David Gergen:

U.S. News reported last week the lowest 20 percent of the population would lose more income under these spending cuts than the rest of the population combined. At the other end, the highest 20 percent would gain

more from the tax cuts than everyone else combined.

No one disputes the basic contention that the burdens of benefits are lopsided. In a nation divided dangerously into haves and have-nots, this is neither wise nor justified.

Let me describe what he is saying, because I think it is important. Consider this room is the United States and then say, "All right, the 20 percent of you with the lowest incomes, you move your chairs over here," so we have the 20 percent with the lowest incomes sitting on this side of the room.

"Now we have a deal for you. You're going to have 80 percent of the burden of all the spending cuts. You 20 percent with the highest incomes, you all move your chairs to this side of the room, and we have something that is going to make you smile, because you are going to get 80 percent of our tax cuts."

That is the problem with this agenda.

Let me quote extensively from someone who has not worked with both Democrats and Republicans. This is a Republican, Kevin Phillips, a Republican political analyst, who has written extensively on economic issues, written a couple wonderful books.

He speaks of this agenda:

Remember, at the same time as the Republicans proposed to reduce Medicare spending by \$270 billion over 7 years, they want to cut taxes for corporations, investors, and affluent families by \$245 billion over the same period. This is no coincidence.

Kevin Phillips, a Republican political analyst.

Kevin Phillips:

Today's Republicans see federal Medicare outlays to old people as a treasure chest of gold for partial redirection in their favorite directions; towards tax cuts for deserving corporations, families, and individuals.

Again, Kevin Phillips, a Republican analyst:

Further, [Kevin Phillips says] the revolutionary ideology driving the new Republican Medicare proposal is also simple. Cut middle-class programs as much as possible and give the money back to private-sector businesses, finance and high-income taxpayers.

Not a Democrat speaking; Kevin Phillips, a Republican analyst.

Again, Kevin Phillips:

If the budget deficit were really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice with business, Wall Street and the rich, the people who have the biggest money making the biggest sacrifice. Instead, it's the senior citizens, the poor, the students and ordinary Americans who'll see programs they depend on gutted, while business, finance and the richest one or two percent, far from making sacrifices, actually get new benefits and tax reductions.

Again Republican political analyst Kevin Phillips:

If the U.S. budget deficit problem does represent the fiscal equivalent of war—maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has seen.

I know these are controversial and very strong, assertive statements—not from a Democrat—from a Republican political analyst about the Republican agenda.

Kevin Phillips again:

Spending on Government programs, from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and middle class, while simultaneously taxes are to be cut in ways that predominantly benefit the top one or two percent of the Americans.

Finally—Kevin Phillips—this is the last quote I will use from him. But as you can see, this Republican analyst has had a very harsh view of the Republican agenda.

In short [he says] aid to dependent grandmothers, children, college students and city dwellers is to be slashed, while aid to dependent corporations, stock brokers and general and assorted James Bond imitators survives or even grows.

Then William Kristol, who is the contemporary philosopher behind the Republican agenda these days, at least the principal spokesperson on television.

Someone needs to stand up [he says] and defend the establishment: In the last couple weeks, there's been too much pseudopopulism, almost too much concern and attention for the, quote, the people—that is, the people's will, their prejudices, their foolish opinions. In a certain sense, we're all paying the price for that now. . . . After all, we conservatives are on the side of the lords and barons.

William Kristol.

I would not even bother to come to the floor today except I sat and watched almost 2 hours of the other side saying, "Gee, our agenda's right for America. We have the right menu. We're doing the right thing. It's a bunch of other slothful people around here who can't get their acts straight. It's people who have changed their mind, people who won't stand and support a balanced budget."

I have heard almost more of that than we care to hear from people who say they want to change the Constitution but whose every action on the floor of the Senate is that they want to spend more money.

I say this to them, those who spoke this morning and others, when you come to the floor of the Senate next week, if it is a defense authorization bill you bring to the floor of the Senate next week—I think it probably will be; we have not yet been informed—if it is, and if you are intending to spend, I believe, between \$11 and \$13 billion—I think \$11 billion more than the Pentagon asked you the spend—would you also come to the floor of the Senate and tell the American people who you want to tax for the extra \$11 billion? Who is going to pay the extra \$11 billion? Why, do you think generals do not know enough about how many trucks they want to buy?

You say, we want to buy more trucks than the generals ask for, buy more ships than the generals ask for, more airplanes than the generals need. Last year you did the same thing. You said the Defense Department did not know enough. We insist on buying more submarines, trucks, ships, and planes than the Pentagon wants, needs or asks for.

I just encourage this: If you say you are for balancing the budget, the place to balance the budget is in individual spending decisions here on the floor of the Senate, not in the Constitution. If in the next piece of legislation that comes to the floor of the Senate, you have decided that the Pentagon needs to spend more money than they have asked to spend, tell us who is going to pay for that. How much are you going to increase the debt to accommodate that?

Then when the next bill comes following that, which you say is not star wars, but which in fact is a new \$60 billion program—the Congressional Budget Office says \$30 to \$60 billion—you show me a program that comes in at the low end, I will show you every program that comes out in the high end. When you bring the next one on the floor to spend \$60 billion on a new star wars program, you tell us, again, how much you favor a balanced budget and you tell us who you intend to have pay for that. Or do you intend to charge that?

I do not have today the charts that show the budgets that were submitted by President Reagan and President Bush in 12 years. But I will bring that to the floor at some point because the implication of the debate on the floor of the Senate is that somehow it is the Democrats that want to spend money. No one has asked for more deficits, no one has requested higher deficits in the history of this country than the combination of Ronald Reagan and George Bush in the budgets they have asked for Congress to pass. No one.

I am not talking about accidents. I am talking about deliberate requests, asking Congress for budgets that create deficits that have been the highest in the history of this country. I will bring those to the floor and demonstrate that. So it is not a case where one party is all right and one party is all wrong. The only reason I stand to respond to 2 hours of constant finger pointing is that people need to understand that what the Republicans have complained about this morning is they have not been able to get their agenda through the Congress because this President has vetoed an agenda that their own Republican colleagues and their own Republican authorities have said is a terrible agenda. It is, take from the have-nots and give to the haves. Some of us are unwilling to go along with that. I know that that forces some of you to complain.

So I come to the floor to say it is not the way you suggested. It is not a case where you can point fingers across the aisle and say, "They're at fault. They're responsible." We have plenty of blame on our side of the aisle. Democrats have plenty of blame to spread around on our side of the aisle.

Let me take some credit for being part of a party that says, we want to build a Medicare program in this country, and we did it. No thanks to some people who are still bragging they

voted against it. Medicare has made this a better country and a better life for a lot of people in this country. I am proud to be a part of a party with a legacy that is a wonderful legacy that has made life better in this country.

But we also have some responsibility. We have created too many programs. I do not disagree with that. We have been concerned about solving problems. Sometimes we create a program that we think will solve a problem, and it does not work. We have not, in my judgment, been aggressive enough in getting rid of those programs.

But I do not believe the record will show that those this morning, who spend 2 hours pointing fingers, are going to come to the floor of the Senate in the next couple weeks with a menu of proposals that really balances the budget, especially without misusing the Social Security trust funds. They are going to come instead to the floor of the Senate with proposals to increase Federal spending, increase Federal spending on a star wars program and increase Federal spending on defense programs. They will make a case where it is necessary. I will not discredit them for doing it. They have every right to do that. I will not question their motives. I will not discredit them. We disagree on the agenda. I will not discredit them.

If you are going to propose new spending programs, you have a responsibility to tell us who will pay for it. The majority leader was asked at a press conference in the last week, when they propose this so-called star wars program, how much will it cost and who will pay for it? The answer was, "We will leave that to the experts." That is the kind of answer that has given us the debt that we have and the deficit that we have in this country.

I want to make one additional point, and then I know my colleague from Kentucky wishes to say a few words.

We have \$21 trillion in debt in this country. I heard one person today say, "I started a business and I had to balance my budget." I bet—and I do not know anything about that person's business—I bet \$1,000 that person started that business with debt, had debt financing. How many people in here paid cash for their house? How many people bought a car with cash?

Mr. President, \$21 trillion in debt in this country, almost \$5 trillion in corporate business debt, \$4.3 trillion in household debt, including home mortgages, a little over \$5 trillion in Federal debt. Is the Federal debt too high? You are darn right—far too high. Do we need to do something? You bet. This is a very serious problem. But what you do to solve the deficit problem is what we started doing in 1993 and we did not get one vote for it on the other side of the aisle. We cut spending in a real way, and we increased taxes.

I understand, some people would not increase a tax under any condition, even if their kid did not get education. They say, "I am against taxes." I am

perfectly willing and was willing in 1993 to vote for a piece of legislation that substantially cut the Federal deficit. Yes, it increased the 4.3-cent gas tax. I did not like that. I would have preferred we not do that. I am glad I voted for it because it reduced the deficit substantially.

That deficit has been coming down, way down, and I am glad we did what we did. We did not even get one vote on the other side of the aisle by those who try to reach 10 feet in height and crow about how much they want to reduce the deficit. They care so much they want to enshrine in the Constitution of the United States a practice taking trust funds from the Social Security trust fund and use them over here to balance the budget.

Let me finish with this point. I heard this morning, again, that they have passed a balanced budget and sent it to the President. I would like one Member of the majority party to explain this chart to me—just one, just once. One Member explain it just once.

This is the chart that you say is a balanced budget. Mr. President, \$108 billion in deficits in the year 2002. Either you balanced the budget or you did not. If you did not, why do you call it a balanced budget? If you did, why is \$108 billion here?

Now, I see our friend from Wyoming has entered the Chamber, and we will probably have a discussion about Social Security, which I am delighted to have because we have not had an opportunity previously to have any substantial time on the floor to address the issue. I hope maybe we will today because I have a fair amount of time and a fair amount of interest. I say at the start that I do not discredit his motives at all, but we have a deep disagreement about a vote I cast, to say to people you pay higher payroll taxes, you pay higher payroll taxes, and those payroll taxes will be dedicated to paying for Social Security. The fact is, you will enshrine in the Constitution a requirement they be used in the operating budget.

I know the Senator from Kentucky wants to say a few words first, and I would like to let him speak. I do not have any place to go. I am happy to have a discussion with the Senator from Oklahoma.

Mr. INHOFE. Will the Senator yield?

Mr. DORGAN. Briefly, but I would like to yield to the Senator from Kentucky.

Mr. INHOFE. One quick question. Earlier today I quoted you. Did I inaccurately quote you in any way?

Mr. DORGAN. I would not have any idea what you said. I did not hear you.

Mr. INHOFE. It was a statement made. Put it this way: Is it not true in 1994 you voted for and supported and totally supported the balanced budget amendment that was then before this body? Is that not the same exact balanced budget amendment you voted against yesterday?

Mr. DORGAN. I am pleased the Senator has asked the question. The circumstances are quite interesting about this. I think the Senator from Kentucky will probably respond to it.

In 1993, we had a balanced budget amendment on the floor of the Senate. I raised the same question there that I raised 10 years previously, in 1983, in the Ways and Means Committee, about using the Social Security trust fund. If you will go back and read the dialog, you will read that the Senator from Illinois and others with whom we had a substantial discussion about this, said, "No, no, we do not intend after we pass this amendment to use Social Security trust funds to show a balanced budget. In fact, we intend to do something statutorily to prevent that."

Two years later, instead of a promise by the promoters of the constitutional amendment that they would not use the Social Security trust fund, there was a guarantee by a vote of the Senate that they would use the Social Security trust fund.

So you ask, is it the same vote? No. One was a promise they would not use them, and the second was a guarantee by a vote of the Senate that they would.

No, it is not the same vote, not the same circumstances. The difference might seem small to some, but when you come from a town of 300 people, \$700 billion is a mountain of money.

I am happy to yield to the Senator from Kentucky.

Mr. FORD. How much time do I have?

The PRESIDING OFFICER. The Senator from Kentucky has 27 minutes.

Mr. FORD. Mr. President, I yield myself 7 minutes.

#### BALANCED BUDGET AMENDMENT VOTE

Mr. FORD. Mr. President, I am glad the junior Senator from Oklahoma is on the floor. I regret, once again, the junior Senator from Oklahoma has resorted to a personal attack and distortion of my record on the balanced budget amendment.

Mr. INHOFE. Will the Senator yield?

Mr. FORD. Senator, I did not come over here and bother you. I will be glad—

Mr. INHOFE. You suggested I impugned your integrity.

Mr. FORD. You certainly have, and I will explain it.

Mr. President, I do not yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky does not yield.

Mr. FORD. Just a little while ago, the junior Senator from Oklahoma quoted from a floor statement I made on March 1, 1994. He represented, by holding up two copies of the legislation—you do not understand that or see that in black and white, but you watch it on television—that I was speaking in favor of an identical version of the balanced budget amendment which was defeated yesterday.

Mr. President, I want to give you and the Chamber a page number. I see the staff. They can go back and go through it. It was page S2058 of the March 1, 1994, CONGRESSIONAL RECORD. I wish the Senator from Oklahoma would have actually read my full statement. He would have found out that I was not speaking about the underlying constitutional amendment from which he quoted me, but rather about something called the Reid-Ford-Feinstein amendment.

Guess what that amendment did? It created a firewall so that the Social Security trust fund could not be counted to balance the budget. That was my position. It was the Reid-Ford-Feinstein amendment.

The junior Senator has misrepresented my record by quoting from that statement in support of an amendment in the form of a substitute and acting as if I was speaking about a constitutional amendment which does not protect Social Security.

On March 7, 1994—

Mr. INHOFE. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. FORD. I guess it is all right.

Mr. INHOFE. I ask the distinguished and honorable Senator from Kentucky if he did, in fact, vote for Senate Joint Resolution 41 in 1994?

Mr. FORD. You have my record there. Tell the public.

Mr. INHOFE. Yes, you did. It is identically the same. You voted—

Mr. FORD. And it is the same question you asked the Senator from North Dakota. The reason we did, they were excluding Social Security. We had a firm commitment they were excluding Social Security.

Now we have a guarantee that you are going to use Social Security.

Mr. INHOFE. It is an identical resolution.

Mr. FORD. Mr. President, if he is going to talk, I want it on his time, not on mine.

Mr. DORGAN. Mr. President, let me respond. The Senator is under a misimpression, I am sure. He does not understand this. You are asking if this is identical, and the answer is, no, it is not identical. I believe it is not identical. Let me ask you this. As an example, does the latest resolution referred to include the Nunn amendment, and if it does—

Mr. INHOFE. I have the two resolutions right here. They are exactly the same. I ask the Senator to show me or read to me where they are different.

Mr. DORGAN. I believe the Senator is absolutely wrong, demonstrably wrong. As an example, does the Senator recall that Senator NUNN required an addition to the amendment to be made, during the latest go-around, before he would vote for it and that there was an addition made by Senator NUNN? Do you recall that?

Mr. INHOFE. Mr. President, I ask unanimous consent that the two resolutions that we voted on—Senate Joint

Resolution 41, in 1994, and House Joint Resolution 1, in 1996—be printed in the RECORD at this point.

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

S.J. RES. 41  
(103d Congress)

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein),* That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later."

H.J. RES. 1  
(104th Congress)

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),* That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later."

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. FORD. Mr. President, we never got an answer from the junior Senator from Oklahoma as to whether Senator NUNN's amendment was in the last one. He says they are identical, and they cannot be identical if Senator NUNN's amendment was included. It would not have gotten Senator NUNN's vote had that not been included.

Mr. INHOFE. Mr. President, if the Senator will yield—

Mr. FORD. I am not going to yield for anything, Mr. President. I am not going to yield.

Mr. DORGAN. Mr. President, will the Senator from Kentucky yield so I can make my point?

Mr. FORD. Mr. President, I will yield to the Senator from North Dakota briefly.

Mr. DORGAN. The Senator may not be putting in the documents that relate to his question. The Senator's question was, were these not identical amendments, the 1994 and 1995. I think the Senator put something in the RECORD that does not relate to the information that shows you were wrong.

I ask unanimous consent that we have printed in the RECORD the first vote on the constitutional amendment, and that, I believe, was in 1994, and the actual amendment voted on and the subsequent amendments, and the RECORD will show that the Senator is incorrect in saying that they are identical.

Mr. INHOFE. Reserving the right to object to the unanimous consent request. The two resolutions that I asked to be inserted into the RECORD are Sen-

ate Joint Resolution 41, which was in the 103d Congress, first session, and Senate Joint Resolution 1, which is what we voted on yesterday, which are identically the same. I do not want the ones from 1993, 1989, or any other time. I want these two.

Mr. DORGAN. If the Senator wishes, we can ask unanimous consent to put anything we want to the RECORD. Does the Senator object to allowing us to put something in the RECORD, or not?

The PRESIDING OFFICER. Is there objection?

Mr. INHOFE. Reserving the right to object, I want the RECORD to be clear that these are the—

Mr. DORGAN. Mr. President, the Senator from Kentucky has the floor. I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn.

The Senator from Kentucky.

Mr. FORD. Mr. President, this is what has been going on in this Senate Chamber for some time now. You attempt to put in certain things to substantiate your position, but you do not tell it all. You put in a piece of legislation that was printed, but you never put in the piece of legislation as it was amended.

When I was brought up, Dad told me that "the devil was in the fine print." So let us get to the fine print. You just cannot continue to condemn people around here because they do not agree with you. I wish you would read Warren Rudman's book on why he left the U.S. Senate. He said he could sit down with TED KENNEDY, JOE BIDEN—and he named a list of Senators. He would say, "Let us compromise and work this thing out." He said, "I never did question their morality or their patriotism. But we could sit down and work things out." We no longer do that in the Senate, so Warren Rudman is no longer a major voice in the consideration of legislation in the Senate. So you have driven from this body one of the sharpest, one of the most dedicated individuals, I think, that has served here.

Now, I will go back to where I was interrupted. On March 7, 1994, the distinguished majority whip made a similar mistake, quoting me out of context. I will say one thing for him. He later came to the floor and apologized. But here we go again, misquoting my record.

Mr. President, we have made some tough votes around here, which actually were about deficit reduction, not just talk, not just an issue. We had a deficit reduction package in 1990. We had one in 1993. Yes, Senator, I voted for both of them, and you voted against both of them. They were not perfect packages, that is true. If they were perfect, we would not be here. Those of us who voted for them took a lot of political heat—a lot of political heat. But, guess what? The deficit is coming down for the fourth consecutive year. The deficit is being reduced. One pledge that was made in 1992 was that the deficit would be reduced by half. It is bet-

ter than half. There was not a vote from the Republican side for that package. I note that the junior Senator from Oklahoma is as tough as his rhetoric is about balancing the budget. He voted against both deficit reduction packages.

Let me talk about one other item included in the 1990 deficit reduction package. It is section 13301. I am sure the Senator is familiar with that, because Senator HOLLINGS, if you have been listening to the debate on the floor, described it in such detail during our debate on the balanced budget amendment. It says, you cannot count Social Security trust funds when balancing the budget. You cannot do that. That is the reason you are \$108 billion short. You have not presented a balanced budget. If you balance the budget, why is it \$108 billion short? It is in the RECORD. CBO is what Speaker GINGRICH said we had to go by, and the President agreed. CBO says you are \$108 billion short. There is no balancing the budget. You can beat your chest all you want to, but there is no balancing the budget.

It is more than \$100 billion short in the year 2002. All you have to do is read the bill, because you cannot count Social Security under current law. But the balanced budget amendment—the senior Senator from Oklahoma, yesterday, objected to the Senator from Oregon asking unanimous consent to offer that amendment for the firewall on Social Security. The senior Senator from Oklahoma said it is taxes and expenditures, and it ought to be in the budget. Now, look that one up.

So here we are offering to protect Social Security with a firewall, which is now law, and we get an objection from the senior Senator from Oklahoma, who said, "It is a tax and expenditure, and it ought to be in the budget, so, therefore, I object." They would not let us bring that amendment up to even vote on it. They would not even let us bring it up to even vote on it. If you want to pass a balanced budget amendment, put a firewall in, protect Social Security, and get 70-some votes in this Chamber. But, no, you want to use it. We have it in handwriting. The leadership on the Republican side said how many hundreds of billions of dollars they will take from Social Security. Now they are talking about a little gimmick that after 2002 we will take 4 years and pay it back. If you want to balance the budget, let us balance the budget.

So the Senator from Oregon was refused.

You know, in this statement I made from which I was quoted yesterday, it starts out: "Mr. President, I have but a few minutes to speak this morning on behalf of the Reid-Ford-Feinstein balanced budget amendment. So I will concentrate my remarks on the Social Security trust."

That is where you quoted me. That is where, excuse me, where the Senator from Oklahoma—I want to be careful of



my language here; we are not supposed to use "you," but "the Senator from Oklahoma"—that is where you quoted me from. It was a debate on the Ford-Reid-Feinstein balanced budget amendment to put firewall in for Social Security.

So it is just be beyond me. I want to say that I hear so much about, "If 40-some-odd Governors can operate a balanced budget, why can't the Federal Government?" We do not have a capital account. Most Governors have capital accounts, if you understand how Governors operate. The Governors have an operating account. So it is all different. Governors do not print money like the Federal Government. So they have to balance the budget. But they find ways around it.

"I think the implementation of this amendment will work." That is a quote from me in that statement. "I think we can make it work." That is a quote from me in that statement. It is on page 2058 of March 1, 1994.

"If we want an issue, fine." That is in that statement. "Stay with Senator SIMON and Senator HATCH. Stay with them, and then we will have an issue when we go home with no balanced budget amendment."

I said that in that part of the statement from which I was quoted yesterday. Also, I might say in there I said, "I am just as worried about my grandchildren as anyone, and I think I have a pretty good idea about grandchildren."

That is in that statement. You did not read that. People did not read that out of my statement. You know, you could just lift these things out, hold up your hand, beat your chest, and wave the flag. But when you get down to it, what do you have? An issue and no amendment. Take the money out of Social Security.

We have heard a lot about a contract around here in the last 18 months. There is a contract for the seniors of this country, and that is Social Security. And they paint a broad brush with Medicare. Medicare has two parts: part A and part B. Part B has a surplus. We have been trying to correct part A now for 2 years. But they will not listen; \$124 billion was the first cut from the budget that was given to us.

So now we hear the objection of the senior Senator from Oklahoma yesterday to the distinguished Senator from Oregon [Mr. WYDEN] to offer a substitute amendment that would put a firewall in to protect Social Security.

There are other different ideas about Social Security and about Medicare. But no country in the world, in my judgment, takes care of its citizens better. We are a capitalist country. What happens when the capitalists no longer need us? They fire us. And when they fire us, somebody has to try to pick up the pieces. Because we have been a strong democracy, government has picked up the pieces. We have retrained personnel. We have helped them with health care. We have tried

to feed them and clothe them until they could get back on their feet. But that is the story of democracy and government, and government has a part.

So, Mr. President, I hope that in the times ahead when we start quoting Senators that we quote them in context instead of out of context, and that we remember that there is a section 13301, the off-budget status of Social Security, the exclusion of Social Security from all budgets: Notwithstanding any other provision of law, the receipts and disbursements of the Federal old age and survivors insurance fund, and the federal disability insurance trust fund, shall not be counted—shall not be counted—as new budget authority outlays, receipts, or deficits or surplus for the purpose of the budget of the U.S. Government as submitted by the President, the congressional budget, or the Balanced Budget Emergency Deficit Control Act of 1985.

That is the law. If you put the amendment on and pass it, then the law falls, and the amendment to the Constitution includes Social Security.

I yield the floor.

Mr. DORGAN. Mr. President, how much time is remaining?

The PRESIDING OFFICER (Mr. SHELBY). Eight and one-half minutes.

Mr. DORGAN. Mr. President, let me just conclude, and I understand the Senator from Wyoming is here and I will attempt to stay and listen to some of his discussion as well.

Mr. President, let me also complete one portion of this discussion. I only responded to the Senator from Oklahoma with respect to identical bills because I believe they are not identical. I do not want the Senator to sometime come to the floor and say, "Well, he opposed the Nunn amendment." But I actually supported the Nunn amendment. I have no problem with the Nunn amendment. I believe the Nunn amendment means those were not identical proposals. I do not want you to misunderstand that.

On that, the Senator is wrong. I believe these are not identical proposals. I did not oppose, nor did the Senator from Kentucky oppose, the Nunn amendment, for that matter.

#### SOCIAL SECURITY

Mr. DORGAN. Mr. President, I want to make an observation about Social Security. So the Senator from Wyoming might think about this as he begins his presentation. I have heard him a number of times. Sometimes he and I are in agreement and sometimes not. He is always thoughtful, interesting, and bright, and I enjoy his speeches. I have written him privately. I think his leaving the Senate is a loss for the Senate. I still believe that, even though we have substantial disagreements. And I have respect for his opinions.

But I want him to understand that in 1983 when I served on the House Ways and Means Committee and became a part of a group of people who wrote the

Social Security Reform Act, in the archives of the warehouse that holds the markup documents for that markup, the Senator will find that I offered an amendment that very day 13 years ago, an amendment designed to head off what I feared would happen and what has happened under both Democrats and Republicans since, and that is we would increase a regressive payroll tax and use the regressive money from the payroll tax to do things other than save for Social Security.

I would like to just make this observation. I do not think there is one Member of the U.S. Senate—not one—who would vote affirmatively for the proposition as follows: Let us increase the payroll tax substantially for workers and for businesses and tell them that it will come out of their paycheck in the form of a dedicated tax to be put into a trust fund, but that we will, in fact, treat it as all other revenue with no distinction and that it will become, in fact, part of the ordinary revenue stream of Government with which we will balance the rest of the Federal budget. I do not think there is one man or woman in the Senate who would affirmatively vote for that kind of proposition. Yet, that is exactly what we have gotten from the 1983 Social Security Reform Act.

I would not have voted for it in a million years had I thought that was going to happen. When it began to happen, the first day of the markup I offered an amendment—and I have offered a dozen proposals since, in meetings with the Speaker of the House when I was in the House, and here in the Senate. We have technically changed the law thanks to section 13301 of the Budget Enforcement Act, authored by the Senator from South Carolina. But we have never altered the momentum of using the taxes that are taken from the paychecks to become part of the general stream of money to fund general fund obligations of the Federal Government.

I have had a generous amount of time to speak. The majority party has spoken generously this morning as well. Let me, as I sit down, say once again that although we have deep disagreements, I have great respect for Members of the other side of the aisle. But I believe in my heart that what we are doing—to the tune of hundreds and hundreds of billions of dollars of Social Security revenues—is fundamentally wrong. No business in America could do what the Government is doing. No business in America could say: By the way, I had a good year last year. Oh, I was short of money, but I took the money from my employees' pension plan and showed that as part of my income, and it turned out all right.

No business in America could do that because it is against the law. Yet that is exactly what happens in this budget scheme, proposed not only by the majority party but proposed in the past as well.

Mr. President, I will stay here and be anxious to listen. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I understand all time has expired on both sides at this time.

The PRESIDING OFFICER. The Senator from North Dakota has a little over 3 minutes of time left.

Mr. INHOFE. I think he yielded the floor. I ask unanimous consent I be allowed to speak as in morning business.

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

#### GOVERNMENT REGULATION

Mr. INHOFE. Mr. President, I will make this very brief, because several questions have come up concerning Social Security. I think it is a very critical thing. I happen to have been privileged to be presiding yesterday when the distinguished Senator from Wyoming, the senior Senator, Senator SIMPSON, who is the chairman of the Social Security Subcommittee and, I think we all agree, is the authority in this body on Social Security—he is here and will be responding to these questions in a much more informed and eloquent way than I would be able to respond to them. But I do have to respond to a few things that have been said by both my good friend, the Senator from North Dakota, and the Senator from Kentucky.

First of all, it was implied—I am sure it was not intentional—that I was only concerned about Republican grandchildren. Obviously, we are all concerned about our own. I opened my remarks yesterday on the floor making a reference to Senator Simon, who had talked about Nicholas Simon, his grandchild. I said I know he is just as emotionally involved with his children and grandchildren as I am, and Democrats are as much as Republicans. I hope that is understood.

But, when the distinguished Senator from North Dakota used the example of government control, with the rats eating the bread laced with arsenic, certainly if I had been there at the time I would have strongly supported an effort to stop these types of abuses and these types of unsanitary practices from taking place.

But there is a fine line here. You come to a point where, if you see that point, you have too much government control. I think that is one of the basic philosophical differences, and it is an honest difference, between Democrats and Republicans. I suggest to you, if you talk to Tim Carter of Skiatook, OK, who was called a couple of days before Christmas a few years ago and put out of business by the EPA, what he had done wrong was he moved his business from one area of Skiatook, OK, a very small city, to another area, and did not inform the EPA of this move.

I said, "They do not know that you moved?" He said, "Well, yes, I informed the district office, but they apparently did not inform the national office." For that reason they put him

out of business and they took his number away from him.

Then, when I finally got that corrected, he called me again and he said, "Now I have another problem. I have an inventory of 50,000 bottles." He had some kind of operation, horse spray or something, that they manufactured. Apparently there is a market for it. He said, "The EPA says I cannot use those bottles now, because during that brief time I was out of business they gave my number to somebody else." This is the type of thing.

Or Jim Dunn, who owned a third generation family lumber company in Tulsa, OK, who called me up and said, "The EPA put me out of business." This was a couple years ago. I was in the other body at the time. I said, "What did you do wrong?" He said he did not do anything wrong. He said, "I have been selling used crankcase oil to the same contractor for a couple years and they traced some of that to the Double Eagle Superfund Site and they say I am in violation. They are going to impose \$25,000 a day fines on me." This is a company that had its net increase the year before of something like \$50,000. He was out of business. The heavy hand of overregulation.

We corrected that situation. But if he had not called me, he probably would be out of business today. That contractor he sold his oil to 10 years ago was licensed by the Federal Government, by the State of Oklahoma, by Tulsa County. He did nothing illegal. Yet Government was regulating him out of business. This is what I am talking about. Have we gone beyond that point, to where we are the most overregulated society or country, to the point where we are not globally competitive? I say, yes, we are overregulated.

#### MISSILE DEFENSE

Mr. INHOFE. Mr. President, the distinguished Senator from North Dakota talked about star wars. He and I have had this discussion. There is, I guess, nothing to be gained other than to update it and put it in the context of today's debate, but it always offends me when we talk about star wars. Star wars is a phrase that was coined to make it look like this is something fictitious, something imaginary, when in fact there is a very real threat that is facing the United States of America, that of missile attack.

We know the Russians have their SS-25. They have the SS-18, which is a MIRV'd missile with a number of warheads capability, some 10 warheads. We know the Chinese have a missile that can reach us. We know the North Koreans are in the final stages of developing the Taepo Dong missile that originally was going to reach the United States by 2002. Now we feel, our intelligence community feels, it will be the year 1999.

We were on schedule from 1983 to protect ourselves against a missile attack, so that we would have protection, or a

defense system in place, by the year 1999. We are not talking about star wars. We are not talking about even space-based launchers. We are talking about technology that is alive today. We have bought and paid for and have almost \$50 billion invested in 22 Aegis ships that are floating now, paid for. They have launching capability. They can knock down missiles coming in. But they cannot knock down missiles coming in, ICBM's, that would come in from above the atmosphere. So we are trying merely to take that \$50 billion that has already been spent, spend \$4 billion more so they can reach above the atmosphere and knock down a missile that might be coming from North Korea.

We would have some 30 minutes' time between the time a missile is launched and our technology tells us when that was launched. I am an aviator. I flew an airplane around the world a couple of years ago. I used the global positioning system, that is satellites, for navigation all the way around. We can know what is happening around the world today. The technology is there.

So, if a missile is launched in North Korea, we know it is coming, we have 30 minutes to do something about it, but you cannot hit it because it is above the upper tier. All we need to do is spend about 10 percent more of the money that we have spent to be able to give the capability to knock it down. That is not star wars. I do not know where they come up with this \$70 billion or \$60 billion. The CBO came out and said it would cost about \$31 billion to \$60 billion more, over the next 14 years, if we installed and made a reality all of the proposed missile defense systems. We are not suggesting that. No one is.

The other day on this floor I said it is like going into a used car lot and saying I want to buy all the cars. You do not need to do that. You get the one that works, the one that fits your needs, and that takes care of it. That is the way we are in our missile defense system. I hate to use that as an example. I hate to be redundant by coming back over and over again, talking about it, but it has to be talked about.

When the distinguished Senator from North Dakota said we are talking about a budget next week about spending \$11 billion more than the Pentagon wants—yes, I will be supporting that. Those of us who are conservatives over here, we want cuts in programs. We have to defend America. I was so proud of the chiefs of the four services testifying before the Senate Armed Services Committee, who came in and—this is the first time, I think, in the history of this country this has happened—they defied their own President and said we have to have \$20 billion more in order to defend America. This is what they said.

They are not the top. There is the Secretary of Defense, appointed by the President; not the Chairman of the Joint Chiefs of Staff, John

Shalikashvili, who is also appointed. These are the ones in charge of the four services, and it took a lot of courage. We do need it and it took courage.

"Where is the money going to come from for all these," the Senator said. If he had been listening, I outlined a program we have been talking about for several years now. The Heritage Foundation and others came up with it. If we take all our Government programs and not eliminate one program, but only expand each one by 1.5 percent, we would be able to balance the budget and have the tax cuts that we have talked about that Americans desperately need.

That is not realistically what is going to happen, but we could do it, and I would live with that in a heartbeat, a 1.5 percent increase in the defense budget. We have cut our defense budget 11 consecutive years. We are down now below the level where we were in 1980 when we could not afford spare parts. So that is significant.

#### THE DEFICIT

Mr. INHOFE. Mr. President, I am going to wind up here. I will only mention the last thing that was stated by the Senator from North Dakota in response to something the distinguished Senator from Texas, Senator HUTCHISON, said this morning.

When she started in business, she made it grow, and it was difficult. He said, "I bet you started with debt."

"Yes."

The difference is this: The business Senator HUTCHISON is talking about and the businesses that are started with debt have to pay that debt back. We do not, and that is the difference. Our debt just accumulates, and that is why we are looking at \$5 trillion. The difference is, they pay it back, and we do not.

Getting to the comments made by the distinguished senior Senator from Kentucky—and I think so much of him; I have held him in very high regard—we just disagree philosophically.

When he talked about the deficit reduction programs of 1990 and 1993, yes, one of those was a Republican President. In 1990, it was George Bush. I disagreed with him at that time, and I even went on "Nightline" and talked about how we should not have caved in to the Democrat-controlled Congress. As a result of that one cave-in by President Bush, he lost the election.

The next one is 1993. In 1993—he can call it a deficit reduction plan—it was the largest single tax increase in the history of public finance in America or anyplace in the world, and that is not a quote from conservative Republican JIM INHOFE, that is a quote from Senator DAN MOYNIHAN, who was then chairman of the Senate Finance Committee.

So you look at these things in a different light. I would just say to those who are holding on to the past and those who do want to have business as

usual and want to go back to and continue the social revolution of the middle 1960's, those days are behind us.

The last thing I will say, I hope that the Senator from Kentucky did not mean it when he implied that I impugned his integrity. All I was doing was quoting him, and regardless of how we interpret the quotes, I do not think he wanted me to quote his entire statement that was page after page.

But I will say this: These are the two resolutions we talked about. The Senator from North Dakota said that does not include the amendment by Senator NUNN. I think you are talking about the judicial review amendment. I suggest to you that, verbatim, that same amendment was offered and passed by Senator Danforth in 1994. So we have identical resolutions, and regardless of whether the distinguished Senator from Kentucky was quoted or misquoted, he still supported this back then, as the Senator from North Dakota did, and opposed it yesterday.

I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I ask unanimous consent to proceed as in morning business.

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

#### SOCIAL SECURITY

Mr. SIMPSON. Mr. President, I very much appreciate the presence of Senator DORGAN of North Dakota. He and I have had spirited discussions about Social Security, but we respect each other. I certainly do. I told him that. I told him whenever I had a pain in my bosom with regard to his activities, I shared it exactly and expressly with him, which I have always done. It is good that maybe the two of us have a moment to at least speak on an issue which surely cannot continue to go in this fashion, where two thoughtful people, as the Senator from North Dakota and I hope your loyal communicator here, are continually just totally in opposition while many who deal with the Social Security Program are telling us what is happening to the program and where the money goes.

So, if I may, in a series of questions, and then let us have the debate which we never had, because I will come to the floor and do my thing and leave and get on to the seven committees I go to, and the Senator from North Dakota comes to the floor and gives his good and able presentation and then leaves the floor.

Let us just, may I, go back to where you have been. You were on the House Ways and Means Committee in 1983. In 1983, Senator DANIEL PATRICK MOYNIHAN and company, a bipartisan group—I believe Senator DOLE was part of that group; I do not recall all of the participants—they came together knowing that Social Security was

going to go broke, totally broke, and that it would go broke within a very short time. So they met in good faith, in a bipartisan way, and they put together a package, as you described—and I address the Chair, as my friend addressed yesterday—they put together a package which provided for increased payroll taxes, it provided for some benefit restructure, it did something with the "notch babies."

Remember, we had to deal with that one for about 12 years, and it was an absolute phony argument. Talk about the froth that goes with Social Security. We finally, when that vampire came out of the silk casket one more time, drove the stake through it and through the lining, hopefully, and that is the end of it. We do not hear any more about it from the National Committee for the Preservation of Social Security and Medicare or the AARP or any other group, because it is a dead issue, staked through the heart.

Yet, it created tremendous concern around America in what was happening. Because of the adjustment made in 1983, we found that the people who were born before that certain cutoff date had received much, much more than they ever should have received, far above the replacement rate of Social Security. We corrected that, and then had 10 years of background clutter and flak and shelling from these various groups. That is over.

But what we did do—and we must all use the same facts. We do not have to share the same opinion, but we must use the same facts. If anyone will remember, you need only go to the report where we were told that when we did what we had to do in 1982 and 1983 with Social Security, it would "save the system and make it solvent until the year 2063."

If there is anyone within the range of my voice who says that that was not the final package—what we did, our stuff, tough political stuff, that when we did that, we would "save the Social Security System till the year 2063." That is book, page and hymn number. Done. OK.

What has happened in the next 13 years? It is now 1996, and each and every year that the trustees issue their annual report, we are told that Social Security is going broke faster than we ever would have dreamed. And yesterday—just yesterday—we have the 1996 annual report. This is a summary. The actual report is here. It is quite extensive. My staff has been through it. I hope that all of us will enjoy this weekend reading. It is just a joy.

But I tell you what it does. It tells the truth, and I will tell you who is telling us the truth. The truth-tellers are Donna Shalala, a woman I have the greatest respect for and admiration; the truth-givers are Robert Rubin. He and I have not agreed on many things, but I admire him. Robert Reich, my fellow thespian—our line of work takes us away from this. We intend to "trode the boards" starting in Peoria. Robert

Reich, a very splendid man. And then a citizen member of the trustees, Marilyn Moon; a citizen trustee, Stephen Kellison; and Shirley Chater, Commissioner of Social Security.

What are they telling us? They are telling us that Social Security will go broke, flat broke, in the year 2029, I say to my colleagues. So in 13 years, we have moved the doomsday date of Social Security forward from 2063 to 2029. Thirty-four years of this cushion has been eaten up in 13 years, and everybody knows that. There is not a soul in this Chamber who does not know that. There is not a soul downtown who does not know that.

Are we saying then, all is well? Of course, it is not well. Next year the trustees may come in and tell us that it will go broke in the year 2025. It has been happening in increments of 3, 4, 5 years a crack. That is reality.

Yesterday, in a spirited little bit of dialogue, I presented a chart, a most unique chart. Let me do it one more time. This is the Social Security Act. I did not write this. This is section 201(d) of the act.

If we are going to say that somehow we are looting, raiding, and pillaging, then please tell me, please, where is this taking place? If we mean looting or raiding to put the Social Security surplus into T-bills, which are then sold by the Federal Government, and the general revenue goes into the General Treasury, and when the interest on the T-bills comes out and is paid on the T-bills to those who own them, if that is looting or raiding, we need a new definition.

If we defeat the balanced budget amendment—which is what has occurred—is it not true that the Social Security surplus will still be put into T-bills? The answer is, it does not matter one whit whether we pass or defeat a Social Security amendment to exclude it. This will go on like Old Man River, and no one can stop it unless they wish to change this section.

So what does the section say? "It shall"—shall—"be the duty of the managing trustee to invest such portion of the trust funds as is not, in his judgment, required to meet current withdrawals."

Stop there.

There is a surplus in Social Security. Some say it is \$29 billion, some say it is \$69 billion. Forget what they say. It easily could get to \$2 trillion by the year 2010. Then, in the year 2012, it starts its tremendous swan song. We all know that. The trustees are telling us that.

So it matters not whether the reserves get to \$1 or \$2 trillion. There is nothing that is going to change whether you pass a balanced budget amendment or not with regard to those funds.

I will go on quoting. "Such investments may be made only"—there is no option, no election process—"in interest-bearing obligations of the United States or in obligations guaranteed to as to both principal and interest by the

United States \* \* \* Each obligation issued for purchase by the trust funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury \* \* \*"

I do not think that is too much mumbo-jumbo for all of us to deal with the issue of Social Security. That is what it says. That is what we do with it. That is what FDR and the Congress had in mind for us to do with it.

But now one more subsection. The Social Security Act, section 201(f). We must hear this. We must all follow the law. That is our duty. That is really maybe the only duty we have here, to follow the law and try to craft laws that are understandable to the American people.

"The interest on, and the proceeds from the sale or redemption of, any obligations held in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall"—shall—"be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, respectively."

And then this, if we can all hear this. We do not have to agree. We do not have to fire up each other.

Payment from the general fund of the Treasury to either of the trust funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such trust fund.

That is what it says. And this section has been addressed in the report which came to us yesterday.

Let me read from the summary. This is the summary of the Social Security trustees. Here is a very precise, small paragraph that says this, if I can share this with my friend from North Dakota.

In all trust funds assets that are not needed to pay current benefits or administrative expenses (the only purposes for which trust funds may be used) are invested in special issue U.S. Government securities guaranteed as to both principal and interest and backed by the full faith and credit of the United States of America.

That section is not changed one whit whether we include or whether we exclude Social Security from a balanced budget amendment.

Every penny, every single penny of the trust fund is left in exactly the same condition, whether you pass a balanced budget amendment or not.

It is most extraordinarily remarkable to suggest that we can "save" or "protect" Social Security from this by simply separating it from a balanced budget amendment.

Here is the language—I hope this is not a surprise. I want to be sure my colleague hears this language. If I could get the attention of my friend from North Dakota. I think it is very important that I share this language. I do not want it to be a surprise.

This is language from yesterday's report. I do not know if the Senator's staff has read this. My staff went

through it during the night. I have to do this kind of work because they have made me the chairman of the Subcommittee on Social Security and Family Policy. I did not really seek that task, but like all of us who do good work—and the Senator does with his subcommittees and my good friend from Kentucky does with his—we try then to keep absolutely current. Here is the language from the report of yesterday.

It is very important. This, yesterday, became open to the American public. Here is what it says: "As noted in section 2(b), the portion of the OASI trust fund that is not needed to meet day-to-day expenditures is used to purchase investments, generally in special public debt obligations of the United States Government. The cash"—this is a quote from yesterday's 1996 annual report, page 78 and 79—"The cash used to make these purchases becomes part of the general fund of the Treasury . . .," ladies and gentlemen.

We all know that. We have known it since Franklin Delano Roosevelt wrote it and put it in section 201.

"The cash"—that is cash that is not needed. That means the surplus. That means the excess. That means whatever you want to call it. "The cash used to make"—I am quoting—"The cash used to make these purchases becomes part of the general fund of the Treasury and is used to meet various Federal outlays."

Does that mean that we have looted it or raided it or pillaged it? I think not, not when we are looking at the specific language of the act and the trustees' report.

I am continuing to quote.

Interest is paid to the trust fund on these securities. And when the securities mature or are redeemed prior to maturity, general fund . . .

If I may get the attention of my friend from North Dakota. We never get to get this done. I am going to stay, too, because I think it is very important that he and I do not leave the Chamber until the American people know a little more than they do now about how we are looting or pillaging or raiding the Social Security system, which is not taking place under any scenario known to man or woman.

Quoting again.

Interest is paid to the trust fund on these securities. And when the securities mature or are redeemed prior to maturity, general fund revenues are used to repay the principal to the trust fund. Thus, the investment operations of the trust fund result in various cash flows between the trust fund and the general fund of the Treasury. And currently the excess of tax income to the OASI trust fund over the fund's expenditures results in a substantial net cash flow from the trust fund to the general fund.

Finally the quote:

Sometime after the turn of the century, as shown in the following subsection, this cash flow will reverse.

It is detailed in horrendous, horrendous factual figures. "This cash flow will reverse as trust fund security"—let me show you how it will reverse.

This is the annual operating balance of the Social Security trust fund in billions of dollars. If that is not a reversal from today's \$60 billion surplus. I think it is more today—my colleague may disagree—and then it drops like a rocket through the basement. This is the annual operating balance of the Social Security in billions of dollars. In the year 2000 it is \$1 trillion operating balance. This is the figure. This is from the Social Security Administration, 1995.

Mr. FORD. Will the Senator yield?

Mr. SIMPSON. I am happy to yield to the Senator.

Mr. FORD. Mr. President, we will say that everything my friend has said is accurate. I do not question his sincerity or his statements. We will take it from that point on.

Under statutory provisions, we cannot use Social Security funds as it relates to deficits, budgets—it is off budget. That is 13301. I am sure you are familiar with that. Now, in the balanced budget amendment, we are allowing, based on the statement of the senior Senator from Oklahoma yesterday, that this is a tax and an expenditure and, therefore, it ought to be part of the balanced budget amendment to the Constitution.

What is the underlying fear, as I listen to the Senator from Wyoming, and the underlying fear, I say to my friend, of this Senator is that if we allow the money to be used to reduce the deficit, and when we have the leadership on your side—not necessarily the majority leader but other leaders in the budgetary category—tell us how much of the Social Security trust funds will be used if the amendment to the Constitution is passed to balance the budget, then we accelerate your fear here of the reduction of the surplus in the Social Security.

If the Social Security continues on its merry way, as you have so aptly described, going downhill, will we not accelerate that if we use, as we were told in handwriting that we are going to use, \$147 billion from the trust fund, at least the last 2 years, would that not make it depleted at a much earlier date?

Mr. SIMPSON. I always enjoy a spirited discussion.

Mr. FORD. This is not spirited.

Mr. SIMPSON. It will be before we finish.

Mr. FORD. I doubt it.

Mr. SIMPSON. I enjoy that because he and I, even as deputy assistant leaders for 10 years or near that amount—there was not anybody that I treated with more deference, or who dealt with me more fairly, honestly, and directly.

Where I am, Mr. President, is this: We are being told in this debate that these funds are being looted or raided. This may not be your debate, but this has been part of a continual debate about the looting or raiding or using this. I am saying, based upon the law of the United States, that any surplus in these funds is "used" and goes directly

to the general fund, that there is no trust fund in that to be looted, to be raided. It is a series of great stack of IOU's. That is what we have here.

Mr. FORD. Mr. President, by "IOU's" you are talking about T-bills that are paid to constituents like you and me. We might be down to the E bonds or the smaller ones but the T-bills are the IOU's in there, and we have by law sold them or loaned that money to the Federal Government in return for T-bills plus interest to be paid at a definite period of time and the trustees are required to have that flow of money.

Am I correct in that?

Mr. SIMPSON. That is correct.

Mr. FORD. So you refer to—you say we are looting.

Mr. SIMPSON. I did not say that.

Mr. FORD. No, you quoted others saying "looting," and now the Senator from Wyoming is using the words "IOU's" for T-bills. It is just a matter of how you express yourself.

Mr. SIMPSON. I believe I have the floor, if you are asking an inquiry.

Mr. FORD. I am trying to give you my reasoning for the question.

Mr. SIMPSON. If you could, I would like that.

Mr. FORD. I understand, and you are doing well in the balcony right now. There are more giggles up there than on the floor.

Mr. SIMPSON. I am trying to do something for my grandchildren.

Mr. FORD. I have tried the grandchildren.

Mr. SIMPSON. If the Senator would pose the question, I would appreciate it.

Mr. FORD. Where was I? What I am trying to say is that if the constitutional amendment is passed and then ratified by the States, and then we amend the Constitution on the balanced budget amendment, and that would do away with statutory provisions as it relates to the trust fund, and therefore as those who have the responsibility of budgeting here in the Senate, to recommend to us as Senators, say they will use  $x$  billions of dollars of the Social Security trust fund to balance the budget. Do we do away with statutory law when we amend the Constitution?

Mr. SIMPSON. Mr. President, I cannot see any format where a constitutional amendment, which would take years to ratify—all we are doing is sending this to the States, if we did do it, and let them decide. I know of nothing in my background that would lead me to believe that we would have done anything with section 201 of the Social Security Act, either F or D or any provision therein.

Mr. FORD. But you would be able to use the funds held in trust, for example, T-bills, to balance the budget according to the budgetary professionals on your side.

Mr. SIMPSON. Mr. President, I will continue to direct my remarks to the Chair. The issue is that you cannot hide something that is \$360 billion a

year and pretend that you are doing something to "balance the books." That does not mean that we are then going to "raid" or "loot" the Social Security System.

The constitutional amendment does not in any way injure Social Security, because the trust fund goes into T-bills or notes or obligations regardless. Regardless, the Social Security money still has to be raised in the future out of general revenue. That is what the trustees are telling us.

Somebody said, what about the interest? I heard that one. Mr. President, 87 percent of the money that comes in comes from payroll taxes. About 9 percent comes from interest. That is all there is. In the year 2012, you will have to take the notes and go back to the Government and say, "There is not enough payroll money coming in this month. So we are here to cash these in." That is when the double hit comes that we described.

If you are trying to build a firewall to protect Social Security, this does not affect a Social Security firewall, which seems to be a very important thing to many, does not affect the long-term unfunded liability of the Social Security system. It does not alter the situation which requires a Social Security surplus to be put in Treasury bills.

May I just finish the trustees' quote? It is two more sentences. Then we can get on with the action here and see if we can stick with the trustees' report. Do not bother with what I am saying or Senator DORGAN or any of us. I am reading from the annual report of the trustees. Let me just finish it. "The cash flow will reverse as the trust fund securities are redeemed. To meet benefit payments and other expenditures, revenue from the general fund of the Treasury will be drawn upon to provide the necessary cash."

That is pages 78 and 79. The balanced budget amendment in no way changes this. In no way at all does the balanced budget amendment firewall for Social Security change that.

This is the way it is. And that is what we ought to be debating. I would be glad to stand here and do that.

(Mr. GRAMS assumed the chair.)

Mr. FORD. Mr. President, will the Senator yield for a little colloquy?

Mr. SIMPSON. Yes, sure.

Mr. FORD. I believe the Senator would agree that once a constitutional amendment is passed—and it will not take years to pass the balanced budget amendment—once a balanced budget amendment is passed and it amends the Constitution, then it is this body's responsibility to draft the legislation implementing that amendment, is that not correct?

Mr. SIMPSON. I am sorry. Repeat the last part, please, if you would.

Mr. FORD. Well, once an amendment to the Constitution has been ratified by the States, is it not the responsibility, then, of this body and the House to implement, by law, that amendment?

Mr. SIMPSON. That is correct.

Mr. FORD. Is there anything to prevent a majority from voting to include Social Security trust funds in the operation of the budget of the United States?

Mr. SIMPSON. Mr. President, there is no way to avoid doing anything to try to hide Social Security from the budget problems of the United States.

Mr. FORD. Mr. President, I asked a question, and I was chastised for not asking the question. What I want to know is, is there any way to prevent a majority vote from using the Social Security trust funds as a part of reducing the deficit for balancing the budget?

Mr. SIMPSON. I have no idea, Mr. President. For 17 years, this Senator has talked about the absolute certainty of pretending that something is off budget when it is \$360 billion a year. You would have to ask a majority at that time. For me, it is absolutely absurd to believe that you do not talk about Social Security when you are trying to balance the budget of the United States of America, which today is \$1.506 trillion, and \$360 billion of that in there is called Social Security. If you want to leave it out, fine, but it will not be this Senator. I will not be here, but somebody can tap on my box and tell me how it went.

Mr. FORD. Knowing the Senator from Wyoming, he will not have to take his money with him. He can write a check where he is going.

I am very concerned that we talk about IOU's and they are really the bills. We talk about raiding and, no, we are not raiding. You cannot do that. But the Members of this body will implement an amendment to the Constitution. As the senior Senator from Oklahoma said yesterday, he objected to voting on the amendment to put up the firewall for Social Security because it was taxes collected and taxes expended. He wanted it in the balanced budget amendment.

I thank the Chair and my friend from Wyoming. I am going to leave the Senator. I am hungry.

Mr. SIMPSON. Mr. President, I do not believe that my good friend would check through the Senate ethics and financial records and find that I was listed among the millionaires of the Senate. So I think that that was a rather gratuitous shot.

Mr. FORD. How did the Senator take that?

Mr. SIMPSON. Now, Mr. President, if we can get back to the issue, which is the law, and stick with this and try to stick in this debate without going into emotion and who has the bucks and who does not have the bucks, and the rich versus the poor, and all the rest of it, and know that the Social Security Act is right here—(f) and (d). The trustees report is right here, and I am ready to move forward and discuss those and let us do that.

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

Mr. SIMPSON. Indeed, certainly.

Mr. DORGAN. Let me clear up two things, and one is minor. The Senator is not accurate with respect to the issue of the notch. This is probably not relevant. That was not adjusted in the 1983 legislation. That was in the 1977 legislation, which was implemented in 1979. The 1983 legislation had nothing to do with the notch. The notch was created, as the Senator might remember, because of a cost-of-living adjustment in Social Security that was opposed in the early 1970's.

Subsequently, it was discovered that that cost-of-living adjuster, or formula, was inappropriate in 1977. Congress made an adjustment, effective 2 years ago. It was not in 1983. That was not such a big deal, but I wanted to make that point for those who are interested in the history of it.

Second, the Senator used a chart that is demonstrably false. If the Senator would put the chart back up, I am sure he did not do this deliberately.

Mr. SIMPSON. No; the dates are not correct. The dates here should be 2020 here, 2025 here, 2030, 2035, and 2040.

Mr. DORGAN. When I saw the chart, I knew one would not want to use a chart like that. The impression would be that there is a one green line and a lot of red lines. When I saw your dates, I realized they were not accurate.

Let me give the accurate numbers. Here will be the annual surpluses, not deficits. In the 1996, your chart had a red line, and that was in error. There will be a \$71 billion surplus, then a \$74 billion surplus, then \$80 billion, \$87 billion, \$91 billion, and, next year, \$97 billion.

In the year 2002, there will be a \$103 billion surplus—that is, receipts into Social Security over expenditures. This surplus will continue out on into the two-thousand-teens, after which there will be red lines.

It would be appropriate to have a chart that shows the red lines, but you would not want to show that unless you showed very substantial surpluses. I wanted to make the point that if somebody saw that chart and started going, "We have big troubles," that is not accurate.

Mr. SIMPSON. Mr. President, I said that. I said that the reserves could easily be \$2 trillion by 2010. I want the record to be absolutely correct. Nobody needed to palpitate on that.

Mr. DORGAN. There are so many charts showing the deep red canyons, and that chart should have showed surpluses.

Let us talk, for a moment, about these surpluses, and let us talk about this one. The year 2002 is the 7th year of a budget plan. In the year 2002, the Social Security system will have receipts of \$103 billion that are greater than the need for expenditure in that year.

I will ask the Senator from Wyoming a couple of questions about that. The first question is, Is this an accident, or is this part of a deliberate strategy to

have receipts that far exceed needs or expenditures in that year? Is that a deliberate strategy or an accident?

Mr. SIMPSON. Well, Mr. President, that is a deliberate strategy. The purpose was to build the reserves, and it was going to work beautifully, until this year, in the year 1996. Every 7½ seconds somebody turns 50, and 15 years from now, in the year 2012, there will be a dramatic drawdown. We ought to link the two cases together, because they are so dramatic that it is hard to describe.

Mr. DORGAN. I accept that. In many respects, I sat here and listened to a debate that, if you won, it was a debate we were not having. I accept much of what you say. But that is not the framework of the debate that we have ventured on the floor with.

Let me try to understand and describe the debate as between what you were describing earlier and what I am saying. If you are right—and I think you are, because I was part of the team, as you were, that said let us deliberately begin saving money, so that when the baby boomers retire, or the war babies, more appropriately, retire after the turn of the century, we will have built up some reserves. That was a deliberate, sober reflective action on the part of the Congress. I think it was an appropriate and courageous won.

Now, if in the year 2002, we have said we want \$103 billion more to come in in Social Security than we are going to spend, and if in the year 2002 the majority's budget provides a balanced budget in 2002, but, they say, we are \$108 billion short in their paper, but say to the American people we will balance the budget, is it not the case that they claim that they have balanced the budget because we have not had enforced savings of the \$103 billion that year, which should have been above what is necessary to balance the budget if you are going to have an enforced national savings pool, but, in fact, they have taken that \$103 billion and said, by the way, we are using it over here so we can say we balanced the budget.

Is that not a misuse of the term "double entry booking," to say we have a deliberate reserve and, at the same time, that we are using it here saying we have a balanced budget?

That is the major point of contention between us because we will, I fear, get to the end of this process and we will never have an enforced national pool of savings above an otherwise balanced budget that is used, or usable rather, when we need it when the war babies retire.

Mr. SIMPSON. Mr. President, that would be a good argument if we were saying that we were going to "use it to reduce the deficit." But it will have already been used because the minute there are surpluses in the Social Security trust funds, they are invested in T bills or notes or whatever, and all the money goes to the general fund. If we can get to the point where you and I are, will you please describe to all of us

what you mean when you are describing "looting and raiding" of the trust fund?

Mr. DORGAN. Exactly. The year 2002 would be a year in which the Federal Government would have balanced its budget plus had a \$103 billion additional revenue above the balanced budget as an enforced pool of national savings to be saved for the time we are going to need it. That would comport with what the idea was in the early 1980's about creating a national pool of enforced savings. The scheme that we now have, I respectfully say to the Senator from Wyoming, means that we will never have a pool of enforced national savings to meet the Social Security needs. Instead, we will simply have a regressive payroll tax added to the general revenue stream to be used for whatever other purpose it is used for.

Mr. SIMPSON. Mr. President, may I ask a question of the Senator from North Dakota? How does the Senator from North Dakota propose to avoid looting, or raiding? Does that mean it will not be in T bills?

Mr. DORGAN. No.

Mr. SIMPSON. What does it mean?

Mr. DORGAN. You are not winning a debate that we are not having. I am not debating whether or not it is invested in T bills. Of course it is. Your basic contention has been because it is invested in T bills it does not exist. I have asked the question. "Gee. If you purchase a savings bond for your grandchild for Christmas, are you going to tell him when he opens it that, 'By the way, what you see does not exist?'" No. It is an asset. That asset exists in the trust fund.

My point is you will not have saved \$103 billion in the year 2002 that you promised to save if on the budget side of things you take the \$103 billion over and say, "Well, we are \$103 billion short of balancing the budget generally speaking but we will count this revenue against it in order to say to people that we balanced the budget"; ergo, you have not, in my judgment, created any kind of national pool of enforced savings to meet the future needs of Social Security.

That is the point.

Mr. SIMPSON. Mr. President, how do we achieve this result—by suggesting then that we defeat the balanced budget amendment?

Mr. FORD. We do not.

Mr. SIMPSON. That is what you have been saying; that we can avoid this result by defeating a balanced budget amendment.

Mr. DORGAN. Excellent question. Let me tell you exactly how you achieve the result. The result is achieved specifically by voting for the alternative balanced budget amendment that we attempted to offer yesterday that we offered previously, that was voted against by the Senator from Wyoming, that is this: It is identical in every respect to the constitutional amendment to balance the budget brought to the floor with one excep-

tion; that is, section 7. Section 7 says you will not count as revenues or expenditures the Social Security trust fund and Social Security account, which means that you would balance the budget and say, "All right. Now the budget is in balance plus what we have is in 2002, or 2005, whatever the year is, plus we have \$103 billion extra money that came in above the balanced budget. That is the only way you develop a forced pool of national savings. In the absence of that, what you ought to do is get rid of this payroll tax. If you are not going to do what you said you are going to do, why should workers and business not be paying it?"

Mr. SIMPSON. Let me ask, Mr. President. And I appreciate your correcting us and getting the correct dates.

Mr. DORGAN. That was a pretty big correction, actually.

Mr. SIMPSON. It is not a correction.

Mr. DORGAN. We are not saying that the sky is falling.

Mr. SIMPSON. Not to give too much credit, but simply these dates are incorrect, 2020, 2025, 2030—you know those facts. I know those facts.

Mr. DORGAN. That chart is a fundamentally improper disclosure of what is happening. You would have to show substantial green surpluses on that same chart.

Mr. SIMPSON. This is from the Social Security Administration, and it is listed in their way as to what is going to happen to this. This is 2020. There is 2025. This is 2030. There is 2035, and 2040.

Mr. DORGAN. There are four categories of green, and you just skipped 20-some years of good news to get to the bad news. There is bad news. We are not disagreeing about that.

Mr. SIMPSON. Let me ask a question. You have used a figure of \$60 billion in your debate about surplus?

Mr. DORGAN. It is \$69 billion.

Mr. SIMPSON. The accumulated surplus to date is \$496 billion to date. So that is rather an incorrect figure. You have used the figure.

Mr. DORGAN. What is incorrect?

Mr. SIMPSON. The accumulated surplus to date in Social Security is \$496 billion, and it is going to go way beyond those figures in the outyears. It is going to go to \$1.1 trillion—not \$1.2 billion. It is going to go to \$2 trillion.

Mr. DORGAN. We are not having a debate; it is a misunderstanding. These are not cumulated numbers. These are yearly numbers. I said for this year, \$69 billion. When you are saying that is wrong, I do not understand.

Mr. SIMPSON. The cumulated surplus in Social Security is \$496 billion. We need to know that. You have listed an annual figure of \$60 billion or \$69 billion. The present surplus, cumulated surplus, in Social Security today is \$496 billion headed for maybe \$2 trillion in the year 2010. Then a precipitous decline in accordance with the charts of the Social Security Administration.

Mr. DORGAN. There is no disagreement about that. I do not understand

the point. The point I was making is that this year we are collecting regressive payroll taxes from workers and businesses, because you voted for it and I did, believing that it was done to collect more than we needed this year in order to save it for the future. My only point is, if it is used to offset for other revenues that we should have made, or other expense cuts we should have made, then it is not saved. If it is not saved, why are we collecting it? Why not say to the people, "We will not collect it to misuse it; keep in yourself"?

Mr. SIMPSON. Mr. President, I just hope that perhaps somewhere into the national debate will come pages 78 and 79 of this year's 1996 annual report, which is so clear that there is no Social Security trust fund. There is nothing in the way of a pool other than the IOU's. These are IOU's, and the entire cash, when we sell them, goes to the general fund.

Is that what the Senator means when he describes "looting or raiding"? Please tell me, because these are two terms that have been used by the Senator from North Dakota day after day after day, that we are "looting and raiding." I want to know what the Senator means when he says "looting or raiding." Does "looting or raiding" mean that we should not be putting it into T bills? Does "looting or raiding" mean that we should not see the money go into the general fund, as is the law of the United States? What is, for this Senator "looting or raiding"?

Mr. DORGAN. Let me try it again. I just refuse to let you win a debate we are not having. We are not having a debate.

Mr. SIMPSON. I am trying to inform the national citizens as to what is happening here.

Mr. DORGAN. I understand. Let me try to explain it. I will do it again. I have done it before.

Mr. SIMPSON. Could you use the term "looting or raiding" and define what that is?

Mr. DORGAN. Let me explain it to you. In the year 2002—the Senator from Wyoming, I, and others voted to decide that we wanted to collect more money than is necessary in the year 2002 for the funding of the Social Security program—not a little more; a lot more; \$103 billion more than is necessary to fund that program. We said we want to do that because we want to be responsible in order to save it for the future.

It is invested in Treasury bonds. The Senator is correct. If he wants to have a debate about that, he cannot debate that with me because I do not contest that. It is invested in Treasury bonds. But the \$103 billion ought to represent in 2002 \$103 billion of revenue above a balanced budget. And it does not, because the Senator from Wyoming and his friends support a budget scheme that says we will show up about \$108 billion short in the year 2002, and we will use the Social Security trust funds to make up the difference.



If that were in the private sector, they would call it looting. But you could call it whatever you want to call it. Abraham Lincoln said, "Calling a horse's tail a leg doesn't make it a leg," but you can describe this however one wants to describe it. I simply maintain that if you decided and I decided we should have a pool of enforced national savings to meet the needs of the future, that in 2002 you cannot accomplish that if you have used the same money in order to balance the general operating budget of the United States. That is the point, a very simple point.

I would say to the Senator from Wyoming I understand—I have listened patiently—I understand the presentation he made. He and I do not disagree on a lot of this. The Social Security system is now healthy. I disagree, sometimes, when I hear the Senator and others talk about the "Social Security system is going broke." In a lot of ways I lament that that language is used because it is true that a third of a century from now it is going to be out of money, but that is a third of a century from now.

It is also true we are going to make some changes. The fact of the matter is, the Senator from Wyoming is a leader: he is a leader on this issue. He has proposed substantial changes to secure the financial well-being of the Social Security trust fund. The Congress must make changes. But here is the situation. He and I do not disagree about the circumstances. We have surpluses; they will continue to build into the two-thousand-teens, after which they will diminish. In the year 2029, we will be out of money. Adjustments will have to be made long before then to solve this in the long term. The Senator is absolutely correct about that.

The disagreement we have is in a budgeting scheme that says let us treat the Social Security funds as if they are no different than any other funds. I would say, my colleague has made the point, I think, that the Democrats have done that and the Republicans have done it. The answer is, yes, they have. And I have disagreed no matter who does it. Now they want to enshrine it in the Constitution. That is the difference.

Mr. SIMPSON. Mr. President, I want to be sure that the American people know that this is not a partisan issue. So, when we say, "My friends on this side of the aisle," the friends on this side of the aisle joined with a remarkable number of friends on the other side of the aisle, a total of 64 of us who really think we ought to do something with the balanced budget amendment and do not feel we are going to do anything to the Social Security trust fund, because we know we cannot do anything to the Social Security trust fund because it is all invested and the money comes out of the general revenue. I guess the debate has to end there. Unless—and I am going to come back to this question. I would like, honestly, an answer.

I want to know what—if we are going to use the term "looting and raiding," the American people, I think, are being overly excited by that term. There is no need to use a term like "looting and raiding," because we do not loot or raid. We are putting it where the law requires it to go, and nothing more. So to say that it is looted or cut, there was never any suggestion that these dollars would not have to be raised by general revenue in the year 2012, or 2005. They come from payroll taxes and revenue. So we are only arguing about how the deficit is measured, not about the disposition of Social Security trust funds.

Mr. DORGAN. Will the Senator yield for a question on that?

Mr. SIMPSON. I think there is no reason to portray the balanced budget amendment as a place to talk about Social Security trust funds. They do not fit.

Mr. DORGAN. Will the Senator yield for one brief question?

Mr. SIMPSON. Yes.

Mr. DORGAN. Is it not the case, then, that in the year 2002 the majority party's budget plan is either \$108 billion in deficit or it is balanced by using the \$103 billion in Social Security funds? Is that not the case?

Mr. SIMPSON. Mr. President, there was another one, so we get away from the partisan aspect if we can.

Mr. DORGAN. That is not a partisan question. I am just asking you.

Mr. SIMPSON. I heard it that way. You know that. But let us look at the Chafee-Breaux proposal.

Mr. DORGAN. Same thing. Same thing.

Mr. SIMPSON. Mr. President, 46 of us, 24 Democrats and 22 Republicans, voted for that. I thought that was a very responsible thing. And whatever you are talking about in the national budget, all has to do with balancing or not balancing the national budget—everything in the stack.

Mr. DORGAN. But that is not responsive to my question. The Chafee-Breaux budget falls short of balancing the budget, if you are going to actually save the Social Security trust funds. And so does President Clinton's budget. They are not in balance, just as the majority party budget is not in balance.

So my question is, is there a balance? We are using the Social Security trust funds improperly, or they are not in balance, they fall \$108 billion short of being in balance.

Mr. SIMPSON. Whether we call it balanced or unbalanced in the year 2002, whether under the Republican plan or President Clinton's plan or Chafee-Breaux, Social Security moneys will be in exactly the same place. That is what I am saying. It will be in the form of Treasury bills or notes backed by the full faith and credit of the United States. So if you want me to say it will be balanced, fine. If you want me to say it will be unbalanced, fine. But the issue is, this will go on like "Old

Man River," and all America ought to know that.

Mr. DORGAN. Will the Senator yield to one more point? I think we get to the point where we disagree. My point is the budget that you support, the budget the President has offered, and others, fall short of balancing the budget by the equivalent amount of the Social Security surpluses that we deliberately decided we wanted to receive and save. That is the point I made.

Look, let us finish because I know the Senator from Massachusetts is waiting, but—

Mr. SIMPSON. If we want to use the phrase of "deliberately saved" and so on, I have no problem with those terms. What I have a lot of problem with is the continual reference to "looting and raiding," because that is not true.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

#### HEALTH CARE REFORM

Mr. KENNEDY. Mr. President, today is another unfortunate setback for the cause of health reform. It appears that the opportunity for meaningful reform has been lost again. Barring a last-minute change of heart and mind and strategy, Senator DOLE will be leaving the Senate next Tuesday without exercising the leadership needed to make even the modest consensus reform in the Kassebaum-Kennedy bill a reality.

I regret very much that "Dr. Dole" is prescribing a poison pill for this consensus legislation. Medical savings accounts do not belong in this legislation. Several reasonable compromises on that highly controversial issue have been offered and categorically rejected. The full-blown MSA proposal demanded by Republicans is a death sentence for this legislation. I intend to oppose it as vigorously as possible, and if it should even reach President Clinton's desk, I am confident he will give it the veto it deserves.

It is clear House Republicans are pursuing a their way or no way strategy, and Senator DOLE has chosen to be a part of it. With his departure from the Senate next week, the chance for any health insurance reform this year is slim.

Millions of Americans will suffer unnecessarily because Senator DOLE has put gridlock ahead of the needs of the 25 million working families who would benefit from the consensus reform in the original bill, before it was poisoned by the MSA bill.

Senator DOLE left the impression yesterday that meaningful negotiations for an acceptable compromise were taking place and that this issue was close to being resolved because Republicans were open to changes in the MSA provisions to accommodate Democratic concerns. It now appears, however, that the intransigence of the House Republicans has prevailed.

The Kassebaum-Kennedy bill was passed 60 to 0 by the Committee on

Labor and Human Resources and 100 to 0 by the full Senate. The bill was entirely noncontroversial, and it makes no sense to saddle it with this last-minute killer controversy. If the Kassebaum-Kennedy bill were passed by Congress today, it would be signed by the President tomorrow.

This bill has had two unanimous bipartisan votes in the Senate, first in committee and again on the Senate floor. Yet it is going to die because of the Republicans' decision to force it to swallow this bitter poison pill.

Under the Republican plan, medical savings accounts could be sold to every employee of every business in America with more than 50 workers, approximately two-thirds of all workers, more than 80 million employees, and within a few years, they will be extended to everyone else. Some compromise.

A massive untested right wing health idea is being forced on the country. Any such massive plan is irresponsible and unacceptable.

Reasonable compromises are possible, but what House Republicans want is capitulation, not compromise.

Not everyone agrees that medical savings accounts are a bad idea, but surely we should agree that they ought to be tested first before being imposed full-blown on the American people.

We all know what is going on. MSA's reward a handful of insurance companies that have contributed lavishly to Republicans in Congress, and they profit handsomely from the worst abuses of the current system.

The Golden Rule Insurance Co., with \$1.5 million in campaign contributions, is the political engine driving this proposal. The company does business selling MSA's, and it will profit immensely from the Republican plan. Yet, the company refuses to share the data on its plans with impartial analysts at the American Academy of Actuaries and other bodies. The company, and its Republican allies, are thumbing their nose at the public interest and asking the American people to buy a pig in a poke.

Why should the taxpayers be asked to subsidize such a scheme with billions of dollars in lavish tax breaks that will go primarily to the wealthy? Medical savings accounts tax the sick for the benefit of the healthy and wealthy. They discourage preventive care by enticing the healthiest Americans to leave their current broad insurance pool. MSA's violate a bedrock principle of health insurance: Broad-based coverage to spread the risk of illness among large numbers of citizens in order to make insurance premiums affordable for those who need health care.

Adoption of MSA's will raise premiums for everyone else and threaten the very existence of conventional health insurance. It will cost the Treasury billions of dollars that should be used to expand health insurance coverage or go for deficit reduction.

They represent a risky and unnecessary experiment that threatens the

health insurance coverage of every American family. It would be reckless to include any such full-blown version of medical savings accounts in this bill. The Senate has already rejected this approach, and President Clinton will veto any bill that tries to impose this untried and dangerous idea on the country.

The Republicans have also refused to appoint conferees to a fairly balanced conference. Despite repeated requests, they refuse to meet with Democrats for serious negotiation. They have ignored four separate compromises that we have offered to allow a fair test of medical savings accounts without endangering the tens of millions of Americans who depend on their current insurance.

The Kassebaum-Kennedy bill contains a number of key consensus reforms that virtually everyone agrees on. It guarantees that no American will be denied health insurance or be saddled with exclusions for preexisting conditions because they change their job or lose their job or because their employer changes insurance companies. It provides help to small businesses that want to join together to negotiate lower insurance premiums of the kind that only large corporations can obtain today. Those reforms deserve to pass, and they will pass if Senator DOLE relents.

When Senator DOLE leaves the Senate next week, he can take his health insurance with him. Every American should have the same right. Many times in recent weeks, Senator DOLE has said he wants this bill to pass. For months, Senator DOLE has criticized President Clinton for saying one thing and doing another. Senator DOLE should look in the mirror this weekend and see what he has done.

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

#### TRIBUTE TO SENATOR BOB DOLE

Mr. HEFLIN. Mr. President, the political world was stunned a few weeks ago when our colleague, Majority Leader BOB DOLE, announced his resignation from the U.S. Senate after 36 years of representing his native State of Kansas. In his emotional and moving farewell speech, he said he wanted to campaign for the Presidency "with nothing to fall back on but the judgment of the people and nowhere to go but the White House or home."

Senator DOLE was elected to the U.S. House of Representatives in 1960. He came to the Senate in 1968, where he served as the Republican leader for a record 11 years. He ran for Vice President with President Gerald Ford in 1976 and ran for the Republican Presidential nomination in 1980 and 1988. He has been a fixture of our National Government for 36 years. Regardless of what we might think of his decision to give up his life's work for an attempt at the

White House, we all agree that BOB DOLE has been an outstanding Senator and leader. He is a master legislator.

Norman Ornstein of the American Enterprise Institute has called Senator DOLE one of the five most significant Senators of the last half of the 20th century. That sentiment has been echoed by the Brookings Institute's Stephen Hess, who labeled him "somebody who could get things done." And in Washington, especially in the unwieldy Senate, this is no small compliment.

I have had the pleasure of serving with BOB DOLE for nearly 18 years and know him to be an excellent legislator with an amazing ability to reach solutions to difficult and controversial issues. He is an honest and forthright man of integrity. Had he and the President been able to negotiate in good faith last fall and winter during the heated budget debate, I have no doubt they could have reached a solution which would have been good for our country and our future. Unfortunately, the House leadership would not agree to such an effort.

Despite his legislative prowess, his major strengths lie in the force of his personality and his style. His power comes from his knowledge, from hard work, from his humor and from his strong friendships on both sides of the aisle, and from his rare moral authority. He does his own work and does not delegate much.

He comes from a humble background, the son of a cream and egg station operator in Russell, KS. After serving in the Army during World War II, where he suffered grave and lasting wounds, he spent 8 years as a county attorney dealing with people from all stations in life. He dealt with bankers and country club members, but also with garage mechanics and feed store clerks. He has exhibited a comprehensive understanding of America as a leader for the interests of the average and disadvantaged Americans.

As Senator BOB DOLE—a true giant in the history of the Senate—leaves this body, he holds so dear, to pursue the Nation's highest office, I join my colleagues in saluting him.

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 rescinded.

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

#### OFFICE OF PIPELINE SAFETY REAUTHORIZATION

Mr. LOTT. Mr. President, I rise today to comment on a recent action by the Senate's Committee on Commerce, Science, and Technology. In a completely bipartisan manner, the reauthorization for the Office of Pipeline

Safety (S. 1505) was approved with a substitute amendment offered by Senator PRESSLER. The compromise amendment language was crafted through the leadership of Senators PRESSLER and EXON. It was also cosponsored by Senators STEVENS, HUTCHISON, INOUE, FORD, BURNS, and BREAUX. It is now ready for consideration by the full Senate.

The negotiations involved many, and included various offices within the Department of Transportation. The major trade organizations ranging from the American Gas Association, the Interstate Natural Gas Association of America, the American Petroleum Institute, the American Public Gas Association, to the Association of Oil Pipe Lines participated as well. Valuable Assistance was also received from the dedicated staff of the Congressional Research Service. Input was also received from state and environmental groups like the National Association of Pipeline Safety Representatives, the Natural Resource Defense Council, and the Environmental Defense Fund. The negotiations were both challenging and productive. I want to compliment the staff from the Department of Transportation for their constructive and collaborative participation.

The major stakeholders are all in agreement—the substitute amendment is sound public policy. And this week the Commerce Committee also spoke when it unanimously approved the substitute. Senator PRESSLER has produced a real consensus which respects the interests and concerns of all the stakeholders and furthers the safety of America's interstate natural gas lines.

The natural gas industry is important to America and I want to share with my colleagues just a few statistics to explain why the full Senate needs to act on this legislation; First, 160 million Americans live in gas heated buildings; second, \$10 billion is spent annually by America's gas industry for construction that uses enough pipe to almost circle the globe; third, America's natural gas system consists of over 1.2 million miles of pipe or enough to circle the earth 48 times; and fourth, there are over 600,000 Americans working in all aspects of this industry. The numbers speak for themselves—the natural gas industry is big business. It impacts many, and it has a huge presence in America.

I want to be clear; this legislation will codify a limited and targeted risk assessment, cost-benefit regulatory approach. It is consistent with both the Administration's principles and the goals of Congress. The bill's approach is a practical and responsible arrangement and is fully supported by the Office of Pipeline Safety. This legislation will also permit demonstration projects where flexibility from the one-size-fits-all mentality is permitted in a way which mandates that safety and environmental concerns must equal or exceed existing standards. It opens avenues for creativity, but demands strict

accountability. This legislation will fund the Office of Pipeline Safety into the next century.

In response to past criticism, I also want to be clear; this bill does not alter the basic statutory structure for the Federal Government's oversight of the interstate industry. The new steps in the regulatory process will cause neither undue delay nor excessive costs. In fact, they are designed to provide better tools and management indicators for informed rulemaking in the future. This front end analysis will make government oversight more effective and efficient. Also the Secretary of Transportation has specific authority to ensure that the demonstration projects maintain existing safety standards. And finally, the new funding levels reflect the amounts stated by administration officials during the Commerce Committee's hearing.

This bill recognizes that new approaches to pipeline safety are possible without jeopardizing either the public's safety or the environment. It allows sound and the most up-to-date science, as well as common sense and flexibility when standards are established. More importantly, the process codified in this bill will be accomplished by building cooperative consensus through real consultation with all affected parties to avoid lengthy wasteful litigation.

The bottom line displayed by the modified bill, through the good work of Senators PRESSLER, EXON, HUTCHISON, and BREAUX, is that government and industry can produce a genuine natural gas partnership that is good for all Americans. I eagerly look forward to seeing this bipartisan consensus bill considered by the full Senate as soon as possible.

Let me conclude by saying safety on America's interstate natural gas pipelines will be enhanced by this legislation. I also want to underscore that environmental protection along America's pipeline right-of-ways will also be enhanced.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Thursday, June 6, 1996, the Federal debt stood at \$5,139,284,273,926.72.

On a per capita basis, every man, woman, and child in America owes \$19,392.31 as his or her share of that debt.

#### MESSAGES FROM THE HOUSE

At 10:55 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3562. An act to authorize the State of Wisconsin to implement the demonstration project known as "Wisconsin Works."

The message announced that pursuant to the provisions of section

389(d)(2) of Public Law 104-127, the Speaker appoints the following as members from private life on the part of the House to the Water Rights Task Force: Mr. Robert S. Lynch of Phoenix, AZ, and Mr. Bennett W. Raley of Denver, CO.

#### MEASURE REFERRED

The following bill, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated:

H.R. 2160. An act to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 and the Anadromous Fish Conservation Act; to the Committee on Commerce, Science, and Transportation.

#### MEASURES PLACED ON THE CALENDAR

The following measure, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3235. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for three years, and for other purposes.

#### MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 3120. An act to amend title 18, United States Code, with respect to witness retaliation, witness tampering, and jury tampering.

#### PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-574. A joint resolution adopted by the Legislature of the Fourth Olbil Era Kelulau; ordered to lie on the table.

"H.J. RES. NO. 4-112-14

"Whereas, the late U.S. Commerce Secretary Ronald H. Brown was born in Washington, D.C. on August 1, 1941; and

"Whereas, the late Commerce Secretary Brown was married to Alma Arrington and had two children, Tracey and Michael; and

"Whereas, in 1962, the late Commerce Secretary Brown received a Bachelor of Arts degree from Middlebury College in Vermont; and

"Whereas, from 1963 to 1967, the late Commerce Secretary Brown served in the U.S. Army as a Captain; and

"Whereas, in 1970, the late Commerce Secretary Brown received a Juris Doctor degree from St. John's University School of Law in New York; and

"Whereas, in 1972, the late Commerce Secretary Brown taught Community and Poverty law as a visiting professor at the State University of New York; and

"Whereas, from 1976 to 1979, the late Commerce Secretary Brown worked as the legislative chairman of the Leadership Conference on Civil Rights; and

"Whereas, in 1980, the late Commerce Secretary Brown became the chief counsel to the U.S. Senate Committee on the Judiciary; and

"Whereas, in 1981, the late Commerce Secretary Brown became a partner in the Washington, D.C. law firm of Patton, Boggs and Blow; and

"Whereas, in 1988, the late Commerce Secretary Brown acted as the senior political advisor to the Dukakis-Bentsen Campaign for President; and

"Whereas, in 1989, the late Commerce Secretary Brown became Chairman of the Executive Committee of the Democratic National Party; and

Whereas, in 1993, after these years of distinguished service to the United States of America, to the Democratic National Party, and to his community, Ronald H. Brown was appointed by United States President Bill Clinton to be Secretary of Commerce; and

Whereas, the late Commerce Secretary Brown achieved the utmost respect as a member of President Clinton's cabinet; and

Whereas, the people of Palau are deeply saddened by the unfortunate and untimely death of the late Commerce Secretary Brown; now therefore, be it

*Resolved*, That the House of Delegates of the Fourth Olbil Era Kelulau, Fourteenth Regular Session, April 1996, the Senate concurring, hereby expresses condolences to the family, relatives and colleagues of the late United States Secretary of Commerce Ronald H. Brown for his tragic and untimely death; and be it

*Further resolved*, That certified copies of this joint resolution be transmitted to Charge d'Affairs Richard Watkins, the President of the Republic of Palau, and the Speaker of the House of Delegates and the President of the Senate of the Fourth Olbil Era Kelulau.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MURKOWSKI:

S. 1851. A bill to convey certain Public lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 1852. A bill to bar class action lawsuits against Department of Energy contractors for nonphysical injuries, to bar the award of punitive damages against Department of Energy contractors for incidents occurring before August 20, 1988, and for other purposes; to the Committee on Energy and Natural Resources.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 1851. A bill to convey certain Public Lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

THE UNIVERSITY OF ALASKA LAND GRANT ACT

• Mr. MURKOWSKI. Mr. President, today I introduce legislation in support of higher education in the State of Alaska.

Mr. President, the University of Alaska is a land-grant college without

the land. In 1915, Congress reserved for Alaska's land-grant institution potentially more than 250,000 acres in the Tanana Valley, proceeds from the sale and development of which—like other land grant institutions—would help finance the operation of the school. Under the terms of the measure, written by Delegate James Wickersham, the college was to receive surveyed and unclaimed Section 33 in an area of about 14,000 square miles between Fairbanks, AK in the north and the foothills of the Alaska Range in the south, this was in addition to the main campus of about 2,250 acres 4 miles from Fairbanks.

However, this large Tanana Valley land grant never materialized. For decades, almost all of the land in the Tanana Valley (like the rest of Alaska) remained unsurveyed and therefore unavailable. As late as the 1950s, only 0.6 percent of Alaska had been properly surveyed under the standard rectangular system, and a territorial report concluded that at the speed Alaska was being surveyed, it could take as long as 43,510 years to complete the job. Due primarily to this incredibly slow pace of Federal land surveys, Alaska's land grant institution received only a fraction of the land Congress reserved for it in 1915; in addition to its 2,250 acre campus, the University of Alaska received less than 9,000 acres out of a reservation created for it totaling approximately 268,000 acres.

To partially remedy the situation, Congress granted an additional 100,000 acres to Alaska's land grant college in 1929, but even with this additional grant, the total was less than half of the original acreage authorized in 1915.

Further efforts to increase the size of Alaska's higher education Federal land grant were made from the 1930s through the 1950s. Several bills were submitted to Congress that would have reserved up to 10 million acres for Alaska's land grant college, but strong opposition, primarily from the Department of the Interior, doomed the effort.

Traditionally, the size of land grants were most often determined by a State's population, not by its area. Nevertheless, some of the last western States were given generous grants despite their sparse populations. For instance, Oklahoma and New Mexico each received about 1 million acres to support higher education. Alaska received less land specifically dedicated for the support of higher education than all but one of the contiguous States. Among the 48 States which had received Federal land or land scrip to establish land grant colleges, mining schools, teachers' colleges, and state universities, only Delaware received fewer acres than Alaska. Thus, after statehood, Alaska in 1959 was in an anomalous position. While the State had received more land and a greater percentage of land from the Federal Government than any other western State, it ranked next to the bottom of

the list in the amount of Federal land it had received for higher education.

Over the next 15 years, controversies regarding Alaska land matters continued to boil, as the public domain in Alaska was carved up for the first time. In 1971, Congress passed the Alaska Native Claims Settlement Act, reserving 44 million acres for Alaska Natives and opening the way for the construction of the Trans-Alaska Pipeline. The pipeline marked the start of a national conservation battle in the 1970s over the future of Alaska's lands, which culminated in 1980 with the passage of the Alaska National Interest Lands Conservation Act, a measure which added 104 million acres to the State's conservation systems.

Now, with many of the major Alaska land issues of the 1970s and 1980s settled, supporters of the University of Alaska have encouraged State and Federal officials to reexamine the question of the university's land grant and consider granting the school additional lands in order for it to "achieve parity" with higher educational systems in other States.

The legislation I am introducing today would achieve this. It would grant the University up to 350,000 acres of Federal land. It would do this on a matching basis with the State of Alaska for up to a total of 700,000 acres split equally between the state and Federal Government. In other words if Alaska were to grant the University 200,000 acres of State land, the Federal Government would grant them to 200,000 acres.

I believe this is a fair settlement to this issue. It addresses some of the needs of higher education in my State of Alaska and allows the State and the Federal government to participate in the fix equally. •

By Mr. JOHNSTON:

S. 1852. A bill to bar class action lawsuits against Department of Energy contractors for nonphysical injuries, to bar the award of punitive damages against Department of Energy contractors for incidents occurring before August 20, 1988, and for other purposes; to the Committee on Energy and Natural Resources.

#### THE DEPARTMENT OF ENERGY CLASS ACTION LAWSUIT ACT

• Mr. JOHNSTON. Mr. President, over the past 6 months, the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources has, under the able direction of Senator THOMAS, conducted an investigation into the management and cost of class action lawsuits against the contractors that operated the Department of Energy's nuclear weapon plants.

Senator THOMAS' investigation uncovered a serious abuse of the legal system that is costing the taxpayers tens of millions of dollars in lawyer's fees each year and could result in hundreds of millions of dollars in judgments or settlements even though

there is no evidence and, in most cases, no claim that anyone was physically harmed by the operation of these plants.

The problem results from the peculiar legal circumstances under which these cases are brought. Normally, people suing the government for injury must bring their suits under the Federal Tort Claims Act, which affords the taxpayers certain protections. Courts cannot award punitive damages against the Government. Suits must be grounded on specific claims of wrongdoing, not generalized grievances. The Government cannot be subjected to a jury trial or held liable for actions stemming from discretionary policy decisions made by Congress or Executive Branch officials.

None of the protections of the Federal Tort Claims Act applies in these cases because the suits are not brought against the Government itself, but against its contractors. Yet, under the Price-Anderson Act, the Government indemnifies the contractors against any liability or legal costs arising out of the operation of the Department of Energy's nuclear weapons complex. The contractors defend the suits, without the benefit of the Government's normal protections, but the Government pays all the bills.

In sum, we have divorced the power to defend these suits, which rests with the contractors, from the obligation to pay, which remains with the Government. The Government is the real party in interest in these cases, but it has been stripped of all of the legal protections it has in other cases.

Today, I am introducing legislation to correct this problem. My bill is quite simple. It does three things.

First, it prevents lawyers maintaining class action lawsuits against the nuclear weapons contractors for nonphysical injuries. Individual claims for nonphysical injuring could still be pursued. Class action suits could still be maintained for physical injuries. But class actions could not be maintained for nonphysical injuries.

Second, the bill makes the medical monitoring regime established under Superfund the exclusive source of medical monitoring for these cases. The pending cases ask the courts to set up medical monitoring programs costing tens of millions of dollars for tens of thousands of people near these plants. The bill would require the courts to make use of the existing institution instead of creating multiple and redundant new ones.

Third, it bars punitive damages where the government would have to pay them. The Federal Tort Claims Act does this already for suits against the government itself. We thought we were doing this under the Price-Anderson Act when we amended it in 1988, but the 1988 amendments only applied to incidents occurring on or after August 20, 1988, and the pending cases are based on occurrences prior to that date. This amendment extends the 1988

prohibition to apply to incidents occurring before 1988.

These three reforms are the minimum that is needed to address the current problem. Indeed, some might say they do not go far enough. These reforms strike a fair balance that will ensure that anyone who is in fact injured by the operation of the nation's nuclear weapons complex will be compensated. At the same time, they close the loophole in the current law that has allowed a few lawyers to raid the U.S. Treasury on the flimsiest of claims.

I urge all Senators to join me in supporting this measure and ask unanimous consent that the bill be printed in the RECORD.

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

S. 1852

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Class Action Lawsuit Act".

#### SEC. 2. CLASS ACTIONS.

Section 170n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is amended by adding after paragraph (3) the following:

"(4)(A) An action may not be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure against any person indemnified by the United States under section 170d. with respect to any claim for a nonphysical injury that arises from a nuclear incident or precautionary evacuation regardless of when it occurred.

"(B) For purposes of this paragraph, "nonphysical injury" includes—

"(i) emotional distress and any mental or emotional harm (such as fright or anxiety) that is not directly brought about by a physical injury even though it may manifest itself in physical symptoms; and

"(C) For purposes of this paragraph and paragraph (5), the term "person indemnified by the United States under section 170d." means any person indemnified by the United States—

"(i) under section 170d.; or

"(ii) under any other authority that obligates the United States to make payments relating to a nuclear incident or precautionary evacuation that arises from activities conducted under contract with the Department of Energy or any of its predecessor agencies."

#### SEC. 3. MEDICAL MONITORING.

Section 170n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is further amended by adding at the end the following:

"(5)(A) Except in the case of an extraordinary nuclear occurrence, medical monitoring provided by the Agency for Toxic Substances and Disease Registry under section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9604(i)) shall be the exclusive remedy for any claim for medical monitoring in a public liability action against a person indemnified by the United States under section 170d. No court may grant a remedy for a claim for medical monitoring in a public liability action except in the case of an extraordinary nuclear occurrence or as provided in section 310(a)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9659(a)(2)).

"(B) For purposes of this paragraph, "medical monitoring" includes any medical

screening, testing, or surveillance program intended to detect, study, prevent, or treat bodily injury, sickness, disease, or death that may arise from a nuclear incident or precautionary evacuation."

#### SEC. 4. PUNITIVE DAMAGES.

Section 170s. Of the Atomic Energy Act of 1954 (42 U.S.C. 2210(s)) is amended to read as follows:

"(s.) LIMITATION ON PUNITIVE DAMAGES.—No court may award punitive damages in any action with respect to a nuclear incident or precautionary evacuation against a person on behalf of whom the United States is obligated to make payments under any agreement of indemnification covering the incident or evacuation, regardless of—

"(A) when the incident or evacuation occurred; or

"(B) whether the agreement of indemnification was entered into under this Act or under any other authority."

#### SEC. 5. ACTIONS COVERED.

The provisions of this Act shall apply to any public liability action (as defined in section 11hh. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(hh))) that is pending on the date of the enactment of this Act or commenced on or after such date.●

#### ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1437, A bill to provide for an increase in funding for the conduct and support of diabetes-related research by the National Institutes of Health.

S. 1452

At the request of Mr. GRAMS, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1452, a bill to establish procedures to provide for a taxpayer protection lock-box and related downward adjustment of discretionary spending limits and to provide for additional deficit reduction with funds resulting from the stimulative effect of revenue reductions.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1632

At the request of Mr. LAUTENBERG, the name of the Senator from Illinois

[Mr. SIMON] was added as a cosponsor of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1641

At the request of Mr. GRAMS, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1641, a bill to repeal the consent of Congress to the Northeast Interstate Dairy Compact, and for other purposes.

S. 1755

At the request of Mr. DOMENICI, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1755, a bill to amend the Federal Agriculture Improvement and Reform Act of 1996 to provide that assistance shall be available under the noninsured crop assistance program for native pasture for livestock, and for other purposes.

#### ADDITIONAL STATEMENTS

##### RECOGNITION OF NORTHERN TELECOM FOR RECEIVING THE CORPORATE CITIZENSHIP AWARD

• Mrs. HUTCHISON. Mr. President, I rise today to recognize and congratulate a distinguished corporate citizen of my home State of Texas. As you may know, Northern Telecom [Nortel], a telecommunications equipment manufacturer based in Richardson, TX, recently received the first annual Corporate Citizenship Award from the Committee on Economic Development [CED].

The CED is an independent, non-partisan educational research organization of 250 top business, leaders, economists, and university presidents. CED represents no single industry or special interest group, nor does it lobby. For more than 50 years, CED's recommendations have played a major, often decisive, role in critical policy areas such as American competitiveness, government and business management, energy security, education, and job creation. The CED's Corporate Citizenship Award was created to salute those companies that have demonstrated both an active involvement in the policy dialog and a carefully considered commitment to the communities in which they operate and society at large.

Nortel received the award in recognition of the principles of corporate and civic responsibility that have guided the company throughout its 100-year history. The award cited Nortel's investment in research and development, the training and education of its workers, the quality of its management, as well as the company's strong and ongoing commitment to education, the preservation of the arts and culture, and community service.

With over 5,000 employees, Nortel is a global telecommunications leader. It is with much pride, Mr. President, that I urge my colleagues to join me today in congratulating the Nortel family on this much-deserved distinction.●

##### 1997 BUDGET RESOLUTION VOTES

• Mr. KERREY. Mr. President, I would like to take this opportunity to thank my colleagues for their support of the Kerry-Simpson-Nunn-Brown-Robb long-term entitlements amendment. My colleagues and I were a mere 14 votes away from passing legislation to begin the process of changing our entitlement laws. The support for this type of long-term reform is unprecedented, due in no small measure to our persistence on this matter.

I am particularly gratified because the reforms we advocated did not simply tinker around the edges of our budgetary dilemmas. Our adjustment to the Consumer Price Index would have saved the country \$126 billion over 7 years; the phasing in of the Medicare eligibility age to 70 would eventually, by 2030, in 1 year alone save \$41.1 billion in 1996 dollars; and our provision would have given more than 120 million working Americans the chance to start accumulating their own wealth through personal investment plans.

Mr. President, the fiscal imbalance of entitlements versus discretionary spending threatens our implicit intergenerational compact to leave a prosperous and growing economy to the next generation of Americans. The great demographic shift that will occur over the next 20 or 30 years—when the baby boom generation reaches retirement age—will largely shape our Nation's future. Accordingly, these changes must be met with new assumptions, different rules, and a fresh perspective.

That is what my colleagues and I offered. With growing support from both sides of the aisle and increased public awareness, perhaps soon we will get the votes we need to pass long-term entitlement reform. So, I am encouraged.

Accordingly, I would also like to briefly comment on other amendments offered to the budget resolution which I chose to vote against.

Several amendments were offered to the Republican budget resolution to restore funding to education, Medicaid, and the environment. While I agreed that the spending cuts to these programs in the budget resolution, particularly education, were severe and counterproductive—I could not vote for the add back amendments as they were written. In order to balance the budget and according to budget rules, amendments which add money back to programs in the budget resolution must be offset by cuts in other areas of Government spending. Each of the add back amendments I voted against used unspecified cuts to corporate welfare to pay for them. I realize that this might look like a good idea to the average citizen—cuts to corporations to fund education—but it's not always that simple.

"Corporate welfare" can be a very loosely defined and overused term. The reality is that most of us support—and more importantly benefit from—something that someone could call corporate welfare. The home mortgage deduction is a prime example. Some peo-

ple would say it qualifies as corporate welfare for the real estate industry. However, if Congress ended the program today, we would hear the furious cry of the people claiming that we had increased their taxes. The self-employed health insurance deduction is another example. So is the research and development tax credit—and the list goes on. These obviously were not the programs my colleagues had in mind. But I felt I needed a better sense of what they did have in mind before I joined them in support of these amendments.

Please do not misunderstand, I believe there are many places where Government can cut back on spending—including unfair tax breaks for corporations. But we cannot use cuts to corporate welfare as a panacea to cure all our budget ills. I believe we must examine each program for its merits before deciding to eliminate it. Had the add-back amendments in the budget resolution been more specific on which items were to be used as offsets, my votes may have been cast quite differently.

Moreover, as I mentioned earlier, the most responsible way to solve our budget problems is not to tinker on the edges, cutting slices from corporate welfare or discretionary spending. We must address the unsustainable growth of entitlement spending if we want to bring our budget into long-term balance. The support for our long-term entitlement amendment was an important first step to getting us there.●

#### SMALL BUSINESS WEEK

• Mr. GORTON. Mr. President, this week is Small Business Week, during which we honor and express our appreciation for the men and women who, by dint of hard work and risktaking, help keep the American economy going strong and create jobs for millions of their fellow citizens.

The life of a small business owner is not easy: Long hours, uncertain finances, competition, the very real chance of failure. Add to these burdens Federal taxes and regulations, and you have a rough road indeed. Many small business people will tell you that the Federal tax and regulatory burden is an obstacle to growth, and that the Federal Government's excessive interference poses a threat not only to their growth, but in some cases to their very survival. It's time the Government got off the backs of small businesses, and stopped throwing obstacles in the way of their success.

Because small businesses are so vital to our economy, and because so many American workers benefit from employment in small businesses, Congress is working to relieve some of the tax and regulatory burdens on small business owners so that they may be free to grow, create jobs, and contribute even more to the economy.

We've done quite a bit, passing—and making law—15 bills that included measures endorsed by last year's White House Conference on Small Business. Unfortunately, eight bills that contained important small business relief have been vetoed by President Clinton.

Yes, that's right—eight bills that included recommendations from the White House Conference on Small Business were vetoed by the current occupant of the White House, President Clinton. Those eight measures, which would have been of tremendous help to small business men and women were: An estate tax reduction, health care reform, pension reform, legal reform, a health deduction for the self-employed, an expensing provision, broad-based capital gains reform, and small business investment via capital gains reform. Last year, at the conference, the President expressed strong support for these measures and led us to believe that he wanted to relieve some of the burdens on our Nation's entrepreneurs.

Well, as we know from past experience, you can't always rely on what the President says he's going to do. I certainly hope this Small Business Week will jog his memory as to the promises he made last year, and that he will work with Congress as we continue in our efforts to ease the burdens on small businesses.●

#### CONGRATULATING WEST PHILADELPHIA CATHOLIC HIGH SCHOOL

● Mr. SANTORUM. Mr. President, today I call attention to a very special honor bestowed upon the West Philadelphia Catholic High School of Philadelphia, PA. West Philadelphia Catholic High School is among 266 secondary schools to be selected as a Blue Ribbon School of Excellence. The U.S. Department of Education's Blue Ribbon School of Excellence Program nationally recognizes public and private schools that are effective in meeting local, State, and national goals and in educating their students.

Mr. President, I would like to congratulate West Philadelphia Catholic High School on this distinguished achievement. I am also proud to say that the West Philadelphia Catholic High School is a two-time winner of this prestigious honor and is the only Archdiocesan school to have received this award. As the U.S. Department of Education notes, these Blue Ribbon Schools are not only centers of educational excellence in their communities, but are often visited by educators from across the country who study their success.

The West Philadelphia Catholic High School is a Blue Ribbon Award winner because of the hard work of its students, the continued support of parents and graduates, and the dedication of its faculty and administration. This hard work and dedication to excellence can also be seen in the high number of graduating students who pursue higher education.

Again Mr. President, the Blue Ribbon Award is an honor to the students, faculty, and administration of the West Philadelphia Catholic High School as well as the city of Philadelphia. At this time I would like to extend my best wishes to West Philadelphia Catholic High School and congratulate this academic community on a job well done.●

#### BICENTENNIAL CELEBRATION OF MONTAUK POINT LIGHTHOUSE

● Mr. MOYNIHAN. Mr. President, on the seventh day of June, 1796, the founding block of sandstone was placed at the base of the Montauk Point Lighthouse on the eastern tip of Long Island. Two hundred years of Atlantic breakers have worn away more than half of the land that once separated the great black and white striped tower from the ocean; however, this steady beacon continues to welcome seafarers from near and far and guides them around the point, safely to shore.

On April 12, 1792, President George Washington signed into law the congressional authorization for the construction of the Montauk Point Lighthouse. On March 2, 1793, a sum of \$20,000 was appropriated for the project. Unbiased in its service to the vessels of the sea, the lighthouse was the first to be constructed in New York State at full Federal expense, and it remains a shining beacon of the best of what we can do as a nation.

From the top of the lighthouse tower, one can see Long Island, Connecticut, Rhode Island and Block Island. This range of sight proved beneficial during World War II, when spotters from the tower would coordinate the 16" cannons located in the battery at Fort Hero—500 meters to the west. Throughout the war, the lighthouse was operated by the Army Signal Corps and established itself as a crucial part of the eastern coastal defensive shield.

Though its construction was significantly altered only once, the lighthouse has changed with the times. Originally it burned whale oil, housed a lightkeeper, and could be seen from but a few miles from its source. Today the lighthouse runs on an automated system, and can be seen at a distance of 19 nautical miles. In addition, it forms part of a satellite-based global positioning system.

This year the Montauk Point Lighthouse Museum will welcome its 1 millionth visitor by land. On behalf of those who pass both by land and by sea, I would like to thank the Montauk Historical Society and the Coast Guard for their dutiful service to the light, and I am delighted to celebrate the Bicentennial of the Montauk Lighthouse.●

#### MEASURE READ THE FIRST TIME—H.R. 3120

Mr. LOTT. Mr. President, I inquire of the Chair if H.R. 3120 has arrived from the House of Representatives?

The PRESIDING OFFICER. Yes, it has.

Mr. LOTT. Mr. President, I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3120) to amend title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.

Mr. LOTT. Mr. President, I now ask for its second reading, and I object on behalf of the Democratic leadership. I understand they have some concerns with it.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. Will the bill remain at the desk to be read a second time following the next adjournment of the Senate?

The PRESIDING OFFICER. The Senator is correct.

#### HEALTH INSURANCE REFORM

Mr. LOTT. Before I go to the closing script, I want to comment briefly on what I understand is happening with the health insurance reform package. I understand that discussions are continuing. I have the impression that very good progress is being made. I am hopeful, as I know the distinguished majority leader is, that agreement can be reached and that this legislation can be taken up early next week.

Yet I was amused to hear the Senator from Massachusetts, Senator KENNEDY, a few moments ago, complaining loudly, vociferously about how not enough was being done. Actually, what he is complaining about is the way it is being done to come to an agreement. It was amusing to me because he was complaining about how there were meetings going on and they were not being informed or kept advised, yet he immediately started talking about exactly what is being discussed. He knows every detail. I know he is involved and staff is involved.

Senator KASSEBAUM, the Senator from Kansas, who coauthored this legislation with the Senator from Massachusetts, is keeping him informed. Really, he protests too much. He says they are not involved, yet he knows every detail immediately. When we get close to an agreement he does not like, he runs to the floor and says, "My goodness." Then he continues to complain that members of the minority are not involved in discussions. Yet every time we have tried to get conferees appointed, the Democrats have objected. I tried it yesterday. That way Senator KENNEDY, Senator PELL, Senator MOYNIHAN, Senator BIDEN or others would be involved, sitting down in a room discussing the solution. The reason they are not directly, formally involved is because Senator KENNEDY and other Democrats have objected to the appointment of conferees.

We are never going to bring this to a conclusion if we cannot get over the hurdle of at least appointing conferees.



What they really want is an agreement first. Once we get it all worked out, they will have conferees. I think that is a little bit of a perversion of how the system usually has worked and how it should work.

What Senator KENNEDY is complaining about with regard to the distinguished majority leader is that the majority leader may have a little different view of some of the comments. So the inference is if Senator DOLE does not agree to what Senator KENNEDY wants, then it is hopeless. That is not the way it works. A lot of progress has been made. A lot of concessions have been made by the House to the Senate and some from the Senate to the House. The big objection is medical savings accounts. There are solutions there. There are compromises that are within reach.

It is a question of choice. Will our people, some day—some day—have a chance to decide if maybe they want to put their money in medical IRA's? Senator KENNEDY wants to block that. Even the President has indicated along the way over the last year that he would be willing to go with some form of agreement on medical savings accounts. Maybe not what they are talking about now, but on a pilot basis, some form. This is an idea we ought to try. I hope the conferees or the people who are talking about it, since they will not let us appoint conferees, are getting close to an agreement. I believe they are. It is encouraging. I look for-

ward to our having a chance to take that up next week.

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#### ORDERS FOR MONDAY, JUNE 10, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday June 10; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day.

I further ask that there then be a period for the transaction of morning business with Senators to speak for up to 5 minutes, with Senators to be recognized as follows: Senator HOLLINGS for up to 30 minutes, Senator DOMENICI to be in control of time from 1 o'clock to 3:30, Senator DASCHLE or his designee in control of time from 3:30 until 4:30, Senator COVERDELL or his designee in control of time from 4:30 to 5:30.

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

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#### PROGRAM

Mr. LOTT. For the information of all Senators, on Monday it is expected that during morning business the Sen-

ate will debate the budget resolution conference report. It is hoped that any Senator who desires to speak in regard to the budget conference report will do so during Monday's session of the Senate. This would enable the Senate to yield back some of the statutory time limitation on Tuesday and allow for a vote on the conference report during Tuesday's session of the Senate. This is a measured step in the right direction. I am glad that conference report has been agreed to and we can take it up early next week. Rollcall votes are possible during Monday's session of the Senate, and the Senate may be asked to turn to any legislative items that can be cleared.

I am sure in the opening session and opening script on Monday we will have additional information about the schedule during the day of Tuesday and Wednesday. I think we are pretty close to getting an understanding of what that might be. I know the majority leader will make that available to the Members early next week.

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#### ADJOURNMENT UNTIL 12 NOON MONDAY, JUNE 10, 1996

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 1:57 p.m., adjourned until Monday, June 10, 1996, at 12 noon.