

the issue with no plans to resolve it. It is sort of triangulation. If somebody in the Congress finds some sort of a resolution to it, then the White House claims success. If it fails to happen, then the White House criticizes Congress but never has a plan of its own. I hope we move away from that. I hope we really address the legitimate question.

There are those who support more government, more Federal Government, a larger Government, and more taxes. It is a belief—and an honest belief, I think sometimes—that that is the best way to govern, that the best way is to take the money from people, bring it here, and then spread it out as they see fit. They believe that. I happen not to share that notion. I happen to share the notion that the better government and the stronger government is closer to the people who are governed; that in fact a smaller central government and a more efficient central government is better and leaves the ability to govern closer to the people.

Mr. President, I hope those are some of the issues and some of the really basic fundamental things that we include as we talk about budgets and as we talk about spending.

I thank you for the time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 1999, 2000, 2001, 2002, AND 2003

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. Con. Res. 86, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the congressional budget for the United States Government for fiscal years 1999, 2000, 2001, 2002, and 2003 and revising the current resolution on the budget for fiscal year 1998.

The Senate resumed consideration of the concurrent resolution.

Pending:

Murray amendment No. 2165, to establish a deficit-neutral reserve fund to reduce class size by hiring 100,000 teachers.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ABRAHAM. Mr. President, thank you very much.

For the information of the Senate, we will now, as indicated, begin consideration of the budget resolution. Although there are not any votes scheduled for today, it is certainly the hope of the majority leader and of the Budget Committee that we can begin the process of hearing from those who wish to bring amendments so they can be fully debated and discussed. I urge any colleagues who might be thinking about offering amendments to join us today. We have heard that a couple may be coming in a little bit. We will welcome them and begin this process of trying to sort through them in the hours ahead.

At this time, it is my understanding that the Senator from North Dakota has opening comments to make. I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

Mr. President, today is a historic day. For the first time in 30 years, the Budget Committee is able to present a budget that is balanced on a unified basis. I think all of us have looked forward to the day when we would be able to say to our colleagues, "The deficit has been erased." That is what we are able to come to the floor and say today.

We all understand that there is more to do, because we all understand we are continuing to use the Social Security trust fund surpluses. So that is the next challenge that faces us. But on that front, we are making progress as well, because in this budget resolution, we are saving the surpluses until Social Security can be strengthened, and we are doing it on both sides. The Republican budget resolution and the alternative Democratic resolution will both be balanced on a unified basis and also preserve all of the surpluses generated by the 5-year spending plan until Social Security is strengthened.

I thought it might be useful to recount for our colleagues and those who might be watching how we got to the position we are in today, what it took to get here, what is the history, how did it happen, because I think it is an important story.

In 1993, President Clinton was inaugurated, came into office and laid down an economic plan to reduce the deficit. It was a controversial plan, one that cut spending and also raised income taxes on the wealthiest 1.5 percent of the people in this country. Many said that plan would not work. In fact, our friends on the other side of the aisle said it would crater the economy.

How well I remember the debate we had on the floor of the Senate. How well I remember the description that came from our colleagues on the other side who told us, "If you pass this plan, it will not reduce the deficit, it will increase the deficit." They said it would increase unemployment; that it would increase inflation; that it would in-

crease the debt; that it would stifle economic growth. Mr. President, the record is now clear. Our friends on the other side of the aisle were simply wrong. They were wrong on every single count. The plan that we passed in 1993 not only reduced the deficit, it has done it each and every year since the 1993 plan was passed.

It has also led to a remarkable economic resurgence. It has led to the lowest unemployment in 24 years, the lowest rate of inflation in 31 years, the strongest business expansion in any of our memories, and put this country on a sound financial footing.

But, again, I think we must all recognize the challenge is not over, because the next step is to stop using the Social Security trust fund surpluses. Again, the budget resolution offered by our friends on the other side of the aisle this year and the alternative that will be offered by our side recognize the Social Security surpluses should no longer be used in the calculation of the budget deficit and that we will preserve all budget surpluses until the time Social Security is strengthened.

Mr. President, this first chart shows that the unified budget is balanced for the first time in 30 years. Here is the record since 1969. Thirty years ago is the last time we were able to achieve unified balance—30 long years ago. And in between, we saw deficits rising inexorably, until in 1992 they reached \$290 billion. Then, as I indicated, President Clinton came into office and proposed the 1993 budget plan, a 5-year economic blueprint that has made dramatic progress. You can see what has happened since: The deficit has been in steep decline, until this year when we anticipate we also may run a small unified surplus, but clearly we are on the right track.

I thought I might also help to put in perspective what has happened in the last three Presidencies, what the record has been on the question of budget deficits, because those budget deficits weighed down on this economy and prevented the kind of economic growth that we have now enjoyed since progress has finally been made.

This chart shows from 1981 through 1999 the budget deficit record. We can see during the Reagan administration, he came in and inherited a deficit of \$79 billion. That promptly skyrocketed so that we were running on almost a consistent basis deficits of \$200 billion a year, absolutely unheard of before that time.

In the last years of the Reagan administration, some improvement was made. We were still running budget deficits of \$150 billion a year.

Then we had the 4 years of the Bush administration, and the deficits took off like a scalded cat. Deficits went up, as I indicated before, so that at the end of the Bush administration, the deficits were running \$290 billion a year. And with the election of President Clinton, a Democratic Congress passed a budget plan in 1993 that has succeeded in reducing the deficits every year of that 5-

year plan. The deficit went down in 1993 to \$255 billion; the next year was down to \$203 billion; then \$164 billion; then \$107 billion; then down to \$22 billion and, as you can see, additional progress is being made so that in 1999, we are now anticipating a unified budget surplus.

As I indicated, the 1993 plan was controversial: Cut spending, raise taxes, income taxes on the wealthiest 1.5 percent in this country. Some told the American people that all of their income taxes were going up. It was not true. But they were able to confuse an awful lot of people, make an awful lot of people believe that was what was happening.

The fact is income taxes went up on the top 1.5 percent, but others actually had their taxes cut because of the expansion of the earned income tax credit. In fact, many more people had their taxes cut as a result of the 1993 plan than had their income taxes increased. The news media never told that story. But that is a fact. Yes, we increased the income taxes on the wealthiest 1.5 percent, but we also reduced taxes by expanding the earned income tax credit for more modest wage earners in this country, and millions of them received a tax reduction.

But this shows what has happened to both the spending and the revenue of the Federal Government since 1980. The blue line represents the spending of the Federal Government. The red line represents the receipts, and these are all stated as a percentage of our national income or, as sometimes said by the economists, our gross domestic product, because that is probably the most realistic way to look at the trends in spending and revenue.

What you can see is that the spending, as a percent of our national income, has come down; the revenue has come up. And it is that combination—reduced spending, increased revenues—that has allowed us to achieve unified balance. And it is that unified balance that has taken the pressure off interest rates, that has improved the economic climate in this country, so that we now enjoy very healthy economic growth, low inflation, low unemployment, and all of the other benefits that flow from a strong national economy.

This chart shows how we achieve a balanced unified budget. Looking back to 1992, looking at the savings from the 1993 deficit-reduction package that I have previously referenced, and looking at the additional savings that will be achieved as a result of the 1997 bipartisan budget deal—I think it is very important that we be direct with everybody.

In 1993, the Democrats did the heavy lifting. In 1993, there was not a single Republican vote for the budget plan that year—a 5-year economic plan to get us back on track. And we understood it was controversial. We did cut spending. We did raise income taxes on the wealthiest 1 percent. And the Republicans all voted no. Again, I think

they were simply wrong. They were wrong in their anticipation of what it would mean to this economy. But in 1997, we had a bipartisan budget deal. That made further progress at getting our fiscal house in order.

Now, I prepared this chart to show the relative size of the two plans. The 1993 budget package had \$2.5 trillion of savings between 1992 and 2002, that 10-year timeframe. The 1993 budget package will account for \$2.5 trillion of the savings.

The 1997 bipartisan budget deal, between 1997 and 2002, will account for \$600 billion of budget savings. So there is no question in terms of the 10-year period, part of that is attributed to the bipartisan budget deal of 1997, \$600 billion. But most of it can be attributed to the 1993 package—\$2.5 trillion of savings.

As I have indicated, Federal spending has been declining under the budget agreement of 1993 and the follow-on bipartisan budget agreement in 1997. And if we look at Federal spending as a percentage of gross domestic product for national income, we can see in 1992 the Federal Government was spending 22.5 percent of our national income. In each and every year under the budget plan that was passed by Democrats in 1993 and the follow-on plan that was a bipartisan plan in 1997, Federal spending has been coming down as a percentage of our national income.

In 1993, it was down to 21.8 percent; in 1994, 21.4 percent; in 1995, 21.1 percent; in 1996, down under 21 percent to 20.7 percent; in 1997, 20.1 percent. In 1998 we are now anticipating Federal spending will be down to 20 percent of our national income—a dramatic improvement under the budget plan first passed in 1993, the 5-year plan passed by the Democrats, and the follow-on bipartisan budget plan passed last year.

The result has been a dramatic improvement in the economic health of this country. Economic performance has been sustained, it has been strong, and it has produced the third largest postwar expansion in our history. You can see from 1961 to 1969, we had 106 months of economic expansion. From 1982 to 1990, we had 92 months of economic expansion. From 1991 to now, 84 months of economic expansion.

The economy has grown at a very healthy rate. This chart shows the real growth of our gross domestic product, and the growth in 1997 was the best in a decade. The central, underlying reason is the budget plan passed in 1993 that led to the deficit reduction, that allowed interest rates to come down, that made this economy much more competitive, much stronger, put us in a position to be the most competitive nation in the world.

Mr. President, I think this record is now becoming very clear. Deficit reduction, fueled by the 1993 budget plan, has led to reduced interest rates, stronger economic growth, and that has meant many positive things for the U.S. economy.

The first, perhaps most important, is job growth. We have now seen 15 million jobs created since the Clinton administration came into office. That is the first 61 months. We compare that to the first 61 months of the Reagan administration. We can see during that period about half as many jobs were created—about 7.7 million. And that is why we see such strong economic performance across the country.

Well, it is not just job growth where we have seen dramatic results of getting our fiscal house in order. In other areas of the economy, we have also seen a dramatic improvement. This chart shows what has happened to investment in business equipment.

One of the real strengths of the national economy, one of the reasons the United States is performing so well in competition with others around the world is because our economy is improving its productivity. One of the reasons we are improving our productivity is because of the computerization of our businesses. One of the key investments they make is in business equipment. That has been growing at an 11 percent annual rate for 4 years.

You can see, going back to 1985, we were going along at between \$300 and \$400 billion, in 1992 dollars, of business equipment investment. Once we got that 1993 budget plan in place, business investment took off, and we are now approaching \$700 billion a year in business investment in this economy. It is one of the key reasons this economy is performing so well.

Again, it is not just business investment that shows the power of the economic plan that was put in place in 1993 and the follow-on bipartisan plan of last year. We can see in unemployment—here is what has happened with unemployment, looking back to 1991. Our unemployment rate is now the lowest since 1973. In over 24 years, we have the lowest level of unemployment in this country.

In my home State of North Dakota, we now see an unemployment rate of under 2 percent. The economists said that was not possible. The economists said full employment was an unemployment rate of 3 percent because of people changing jobs in the economy and other structural factors. But in my State of North Dakota, we have now an unemployment rate of less than 2 percent, and, of course, nationally, the lowest level since 1973.

There is not only good news on the unemployment front, there is also good news on the inflation front. And generally those two do not go together. Generally, if you have good news on unemployment, you have bad news on inflation. That is not the case with this economy. The inflation rate is showing its best sustained performance since 1967—the best rate in over 31 years—and that inflation performance is anticipated to continue.

So inflation is under control, with low levels of unemployment, high levels of business investment, and the

budget deficit eliminated on a unified basis, and moving towards preserving the Social Security surpluses by preserving the budget surpluses.

We have heard a lot of talk from some: "Well, but you raised taxes in 1993. You raised income taxes on the wealthiest 1.5 percent." Yes, that is true, because that was important to balancing the budget, to getting these deficits behind us, to putting this country on a firmer economic footing. We also cut spending. And it is that combination that has made possible the deficit reduction we enjoy today.

But it has also translated into tax relief for many of the people in this country because, as I indicated before, while we have raised income taxes on the top 1.5 percent, we also cut income taxes for millions of Americans through expansion of the earned income tax credits. In fact, as this chart shows, the tax burden is declining for a family of four. When you look at the payroll taxes they pay and the income taxes they pay, if you take those with a family income of \$27,450 or less, you see they have had their tax burden reduced.

In 1984, they were paying over 13 percent of their income in income taxes and payroll taxes. That has been reduced for 1999, under the budget plan we are offering, to 6.5 percent—a 50 percent reduction in the effective tax rate on payroll taxes and income taxes for a family of four earning \$27,000, in 1999 dollars.

Now, some of our friends on the Republican side say, "Well, the Democrats just want to spend money." And there are places that Democrats believe we ought to spend some more money. We have the agreement from Republicans that we ought to spend more money on highways in this country. We also think more money ought to be spent on education.

We think we ought to do something about the crumbling schools. We think we ought to do something to reduce class sizes, to add 100,000 teachers in this country just as we added 100,000 police in the crime bill in 1993 that has had such a remarkable effect in reducing the crime rate in the Nation over the last 5 years. Each and every year, the crime rate has come down once we put 100,000—the authorization, at least, for 100,000 additional police on the streets and took tough measures to strengthen the crime laws of this country. We also believe we ought to provide 100,000 additional teachers across America to improve the educational performance of our kids.

So there are places that where think additional funds should be spent. The truth is, if you look at the next year or next 5 years in terms of spending, there is very little difference between the Republican plan and the Democratic plan—very little difference.

This shows, in the 1999 budget, the red is the Republican spending plan, the blue is the Democratic spending plan. You will notice there is very little difference, indeed, hardly any.

There is about a \$12 billion difference between the Republican plan and the Democratic plan, out of a \$1.7 trillion budget. In fact, the Republicans' spending plan is for \$1.73 trillion for 1999; the Democratic plan is for \$1.74 trillion.

The difference is, Democrats believe we ought to put some more money into education. We believe we ought to put some more money into child care, because the vast majority of parents are both working and they tell us, we need some help; we are under enormous pressure.

I just had a neighbor of mine come and tell me he is spending \$17,000, he and his wife, this year—\$17,000—for child care. Now, he is probably relatively highly paid, a hard-working guy. Both he and his wife work, have two kids. They are paying \$17,000 for child care.

All across the country, parents are coming to us and saying, "Look, this is a part of our expenses that we really need some assistance on. Can't there be some tax relief for child care expenses that is above what we currently are provided?"

The Democratic response has been, yes, we have made dramatic progress on getting our fiscal house in order. We are preserving the budget surpluses until we get Social Security secured for the long term. But we have some additional revenue because of the proposed tobacco settlement, and we could use some of that money for smoking-related matters, health research, smoking prevention, smoking cessation, but we could also use some of it to strengthen child care in this country. We could use some of it to improve education in this country.

So the Democrats say, yes, we will take a little bit of that money and use it for those purposes. For the 5-year spending plan, from 1999 to 2003, the Republican spending plan is in red—that is \$9.16 trillion; the Democratic plan is in blue, \$9.24 trillion. A little bit more money, \$80 million more over 5 years in the Democratic plan as contrasted with the Republican plan.

Again, why the difference? Because we believe we ought to invest a little more money in education. Yes, we believe we ought to invest a little more money in child care because working parents all across America tell us that is a priority for them. And yes, we ought to use a little of that money for increasing the investment in highway funds, a priority that our Republican friends on an overwhelming basis have agreed with us on.

There are other areas of disagreement and perhaps the big area of disagreement is on the question of providing for the use of the tobacco funds. In the budget resolution, the Republicans say all of the money that comes from a possible settlement of tobacco, all of that ought to go to Medicare. Democrats disagree. Democrats say some of the money ought to go to Medicare, absolutely, that is appropriate. Some of the money, we believe, ought to be

used to strengthen Social Security. The Republicans say no, not a dime should be used to strengthen Social Security. We disagree with that. We also believe some of the money ought to be used to fund smoking cessation and smoking prevention and counter to tobacco advertising, and have health research, and improve the funding for the National Institutes of Health. The Republicans say no, none of the money, none of it, not a dime, from the tobacco settlement should go for those purposes; all of it, every penny, should go for Medicare. We just disagree. We don't think that is the appropriate set of priorities.

Obviously, Medicare is important. No question about that. Democrats are the ones who helped pass it, the ones who helped preserve it, the ones who helped protect it. But we also recognize there are other critically important priorities from a windfall that might come from a tobacco settlement—shouldn't spend it all; some of it should be saved. That is why we say some of it should be used to strengthen Social Security. Yes, some of it should be for Medicare. We also recognize that if we are really going to be protecting Medicare, then we have to take steps to keep young kids from getting hooked and addicted to tobacco, because 90 percent of those who are smokers started before age 19; nearly half started before they were age 14. And the addiction of kids puts a later burden on Medicare and Medicaid and veterans' programs because of that addiction.

We think an ounce of prevention is worth a pound of cure. The Republicans just want to deal with it at the final result stage. They just want to deal with it once the people are addicted and diseased. We say let's prevent addiction and disease. Let's spend some of that money on smoking prevention, smoking cessation, counter tobacco advertising, so that we really prevent people from getting in those situations.

The fact is the Republican plan in terms of revenue that might come from the tobacco settlement puts all the money into Medicare, none to these other purposes. They say to us, "We are funding some of those tobacco control efforts other places in the budget." That is their answer. The problem with that answer, if you look at numbers what, is that what they have put elsewhere in the budget is nowhere adequate to meeting the need; it doesn't take care of the problem.

We have had all the health experts come in and they have told us you need to be spending about \$2 billion a year on tobacco control, smoking cessation, smoking prevention, counter tobacco advertising. Interestingly enough, every comprehensive bill introduced on this floor by Republicans or Democrats adopts a spending pattern on tobacco control efforts of about that magnitude, about \$2 billion a year—some much more, some are as much as \$4 billion a year. The proposed settlement itself contains \$11.3 billion for these

purposes. The Republican budget over this next 5-year period provides \$600 million, about 1/20th of what the experts say is necessary in order to really accomplish the goals of reducing teen smoking and of protecting the public health.

The budget resolution that Republicans have offered also ignores FDA funding for tobacco. In all of the bills that are out there—Republicans and Democrats—every comprehensive tobacco bill that has been offered says we ought to expand FDA authority to control this drug like they were given authority and responsibility to control every other drug in our society. Obviously, there is a cost to that. The proposed settlement says that cost is \$1.5 billion over 5 years. The Republicans haven't given a dime for that purpose. It really makes you wonder if our friends on the other side of the aisle are at all serious about accomplishing the goals for the reduction of teen smoking and protecting our citizens from addiction, disease, and death caused by this industry.

These are the matters that will be central to this debate as we go forward. It is important to define differences between us because those differences are real and we have seen the difference they have made over the last 5 years. We believe the record has proved the Democrats were right when they cast a courageous vote in 1993 to really get our fiscal house in order. The results are undeniable. They are just as clear as they can be: deficit reduction, strong economic growth, the best performance on inflation and unemployment in nearly a quarter of a century. That is the record. It is a powerful one. It is one of which we are proud.

Now the question is, what do we do going forward? The Democratic answer is we have to maintain fiscal discipline. Yes, we have to achieve that unified balance in our budget, but we have to go further and preserve budget surpluses until we have secured the future of Social Security. As the President said to us, "Save Social Security first." The Democrats agree to that position.

In addition, we believe with the windfall that may be anticipated as a result of any tobacco agreement, we ought to use some of that funding to accomplish the goals of protecting the public health, reducing teen smoking, and also we ought to put some of it toward strengthening Social Security, we ought to use some of it for preserving Medicare, and yes, we ought to improve health research in this country and children's health care. Those are things that the American people think are important, and we agree. No higher priority can be attached to anything than improving the education of the children of our country. That is something we simply must do.

If we are going to preserve the competitive position of the United States, we must have the best educated work force in the world. That is one reason

we are doing well. If we are going to continue to do well, we must make certain that educational excellence is at the top of our priority list.

I yield the floor.

Mr. ABRAHAM. Mr. President, it is my understanding that the Senator from Alabama, Senator SESSIONS, will be here momentarily for the purpose of offering the first substantive amendment to be considered. In light of that, perhaps we could enter into a unanimous consent agreement. I ask unanimous consent that after the Senator from Alabama offers and discusses his amendment, we then allow the other Senator from North Dakota, Senator DORGAN, to seek recognition and be recognized following the Senator from Alabama.

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

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

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

#### PRIVILEGE OF THE FLOOR

Mr. ABRAHAM. I ask unanimous consent Philippe Ardanaz, an American Association of Political Science fellow with the Budget Committee, be granted floor privileges during consideration of the budget resolution.

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

Mr. ABRAHAM. I yield 20 minutes to the Senator from Alabama for the purpose of introducing an amendment and speaking to the amendment.

The PRESIDING OFFICER. The distinguished Senator from Alabama is recognized.

#### AMENDMENT NO. 2166

(Purpose: Expressing the sense of Congress that the Federal Government should acknowledge the importance of at-home parents and should not discriminate against families who forego a second income in order for a mother or father to be at home with their children)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself and Mr. ENZI, proposes an amendment numbered 2166.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ FINDINGS; SENSE OF CONGRESS.

(a) Congress finds that—

(1) studies have found that quality child care, particularly for infants and young chil-

dren, requires a sensitive, interactive, loving, and consistent caregiver;

(2) as most parents meet and exceed the criteria described in paragraph (1), circumstances allowing, parental care is the best form of child care;

(3) a recent National Institute for Child Health and Development study found that the greatest factor in the development of a young child is "what is happening at home and in families";

(4) as a child's interaction with his or her parents has the most significant impact on the development of the child, any Federal child care policy should enable and encourage parents to spend more time with their children;

(5) nearly 1/2 of preschool children have at-home mothers and only 1/3 of preschool children have mothers who are employed full time;

(6) a large number of low- and middle-income families sacrifice a second full-time income so that a mother may be at home with her child;

(7) the average income of 2-parent families with a single income is \$20,000 less than the average income of 2-parent families with 2 incomes;

(8) only 30 percent of preschool children are in families with paid child care and the remaining 70 percent of preschool children are in families that do not pay for child care, many of which are low- to middle-income families struggling to provide child care at home;

(9) child care proposals should not provide financial assistance solely to the 30 percent of families that pay for child care and should not discriminate against families in which children are cared for by an at-home parent; and

(10) any congressional proposal that increases child care funding should provide financial relief to families that sacrifice an entire income in order that a mother or father may be at home for a young child.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the functional totals in this concurrent resolution on the budget assume that—

(1) many families in the United States make enormous sacrifices to forego a second income in order to have a parent care for a child at home;

(2) there should be no bias against at-home parents;

(3) parents choose many different forms of child care to meet the needs of their families, such as child care provided by an at-home parent, grandparent, aunt, uncle, neighbor, nanny, preschool, or child care center;

(4) any quality child care proposal should include, as a key component, financial relief for those families where there is an at-home parent; and

(5) mothers and fathers who have chosen and continue to choose to be at home should be applauded for their efforts.

Mr. SESSIONS. Mr. President, I think the issue before the Senate as we debate the budget resolution is how to set our priorities as a nation. Where do we want to spend our resources? Are we expending our resources in ways that strengthen our American Republic and the people who make it up? Are we using resources in a way that will strengthen families? And are we using resources in a way that undermine families or at least undermine the freedom of families to make choices they believe are important in their lives?

I have just introduced an amendment which expresses the sense of Congress

that the Federal Government should acknowledge the importance of stay-at-home parents and should not discriminate against families who decide to forego a second income in order for a mother or father to be at home with their children. The resolution is nearly identical to the House resolution sponsored by Representative BILL GOODLING, chairman of the Education and Work Force Committee, which passed the House of Representatives on February 11 by a vote of 409-0.

President Clinton has proposed spending \$21.7 billion over the next 5 years in new Federal child care programs. Although the money the President is proposing to spend will benefit parents who use business and institutional day-care providers, it will not assist the single largest provider of child care in this country, at-home parents. The President's plan does provide us with an opportunity to think seriously about this subject and see if we can provide a better way to help parents raise their children.

I believe this resolution is critically important. It provides this body with an opportunity to discuss and debate our Nation's focus on the issue of child care: Should our Government continue to promote and fund child care programs designed to give middle-class parents who hire others to care for their children tax cuts or other benefits while at the same time denying relief to parents who make sacrifices so that one parent can remain at home to care for their young children?

It seems unfair to me that we tax families who sacrifice outside earnings to ensure that one parent is home with their children while subsidizing families in which both parents work. In fact, the statistics show that when both parents work, they have a higher income. So in fact we are taxing those with a lower income to subsidize decisions of those with a higher income.

Studies show that most parents would prefer to work less and spend more time with their children if they could afford to do so. By subsidizing only nonparental care for our children, our Government is pushing many families in a direction they do not wish to go. More parents are staying home. They are choosing to forgo extra income. These private, personal, and family decisions are being reached on long-term moral, religious, and educational considerations. Good decisions by parents in these matters benefit our Nation, and they should be affirmed by governmental policy, not undermined by governmental policy.

As I traveled my State over the last recess and talked with people raising this issue, people would come up to me after meetings, and they would say: "JEFF, we agree with you. We both used to work. Now only one of us works. We prayed about it and we know we are going to have to get by with less money. But we decided this is the best for our family."

I don't denigrate in any way families who choose for both parents to work. I

don't ask that we diminish support for the single parent who works. I just say, Mr. President, it is time for this body to join the House and to send a message to America and a statement to the President and to the rest of this Government that we believe that those parents who stay at home to raise their children ought to be affirmed also. They also should receive benefits, and they ought not to be the chumps in this process. Because they are giving of themselves with great sacrifice to raise the next generation of Americans who will lead this country.

Make no mistake our economy is in great shape. This Nation is strong and vibrant economically. The one threat I see that could undermine that strength is for us to undermine the values that we pass on to our children. That our work ethic is reduced, that our moral discipline and integrity as a people is undermined. These qualities are strengthened when families can spend those formative years with their children in a close relationship. Psychiatrists and psychologists refer to it as "bonding." During those first years, it is important for a parent and a child to bond in order for that child to develop confidence and a sense of self-worth that can only be gained in many instances from that relationship with their parents. We have many difficult societal problems, and none are more important than developing properly the next generation of leaders.

I just say this, Mr. President: Our Nation can never rise higher than the individual quality of the citizens who make it up. And what are those qualities that make us a great people? It goes beyond mere education. It goes beyond how much money we make or how smart we are. It really depends on a willingness to cooperate, to work together, on whether or not we have high ideals, whether or not our children are raised with hope and a vision for progress, whether or not they have integrity, good discipline, a work ethic that will allow us to be competitive in the world. We need to strengthen our families as they endeavor to raise the next generation of leaders.

Now, Mr. President, last year, we passed a budget that wonderfully provided a \$500 per child tax credit to families in this country—one of the finest steps we have taken in many years to actually help families. This allows them to keep money that they could spend as they wish. A family of three could, in effect, have \$120 extra each month, tax free, not taxable, a tax credit that they could use for their children. This extra money may mean buying shoes, textbooks, or the extra money it takes to go to a movie or on a school trip. These families are able to make their own decisions about spending. That was a wonderful step in the right direction. It did not discriminate against those families who work or those who choose not to have both parents work. It was an equal, across-the-board benefit, something that was

good. I think now we need to make this additional statement by this body: That we expect in the future to treat all parents equally. The amendment makes a number of points, Mr. President, and I will share those briefly. I don't know what my time is, but I don't want to go over.

The PRESIDING OFFICER. The Senator has 11 minutes remaining on the time requested.

Mr. SESSIONS. All right. Mr. President, the resolution notes a number of things. It notes that, whereas "a recent National Institute for Child Health and Development study found that the greatest factor in the development of a young child is 'what is happening at home and in families.'"

That is something all of us have known instinctively, and we believe that our public policy has not affirmed that effectively. Our resolution would move us in the right direction.

It goes on to note: Whereas,

as a child's interaction with his or her parents has the most significant impact on the development of the child, any Federal child care policy should enable and encourage parents to spend more time with their children;

nearly 1/2 of preschool children have at-home mothers and only 1/3 of preschool children have mothers who are employed full time;

a large number of low- and middle-income families sacrifice a second full-time income [by their own decision] so that a mother may be at home with her child;

the average income of 2-parent families with a single income is \$20,000 less than the average income of 2-parent families with 2 incomes;

only 30 percent of preschool children are in families with paid child care and the remaining 70 percent of preschool children are in families that do not pay for child care, many of which are low- to middle-income families struggling to provide child care at home;

child care proposals should not provide financial assistance solely to the 30 percent of families that pay for child care and should not discriminate against families in which children are cared for by an at-home parent;

any congressional proposal that increases child care funding should provide financial relief to families that sacrifice an entire income in order that a mother or father may be at home with a young child.

Therefore, it be resolved that the Congress of this United States recognizes that:

many families in the United States make enormous sacrifices to forego a second income in order to have a parent care for a child at home;

there should be no bias against at-home parents;

parents choose many different forms of child care to meet the needs of their families, such as child care provided by an at-home parent, grandparent, aunt, uncle, parent, neighbor, nanny, preschool, or child care center;

any quality child care proposal should include, as a key component, financial relief for those families where there is an at-home parent; and

mothers and fathers who have chosen and continue to choose to be at home [with their children] should be applauded for their efforts.

Mr. President, the purpose of this resolution is not to suggest that we do

not need more relief for families. We need relief for families where both parents work or where the only parent works. They need relief. But we ought not to discriminate and be biased against those parents who sacrificially choose to spend the time they believe is necessary for their child to develop emotionally, morally, religiously, and ethically.

That is a good thing for America. It is a good thing when parents can and are willing to spend their time with their children. Public policy should affirm that choice, just as it affirms other choices that parents make or feel compelled to make. I would suggest that this is a matter we ought to support aggressively. I believe it is a matter that will help set the tone for our budget process as we go forward. It will send a signal to those on the committees who will be considering legislation to see what we can do to strengthen our ability to care for children, and I believe this resolution to be quite significant and representative of a marked change in the direction that we have followed before.

Mr. President, I ask unanimous consent that Senator DODD be added as a cosponsor to this amendment. He called our office before I had a chance to add his name to the sponsors of this resolution, among whom are Senators LOTT, SHELBY, ENZI, FAIRCLOTH, HELMS, NICKLES, GRAMS, MCCONNELL, LIEBERMAN, BROWNBACK, INHOFE, CRAIG, HUTCHISON, FRIST, COVERDELL, ASHCROFT, ABRAHAM, MACK, DEWINE, and COATS, and others are being added as we go along.

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

The PRESIDING OFFICER. Does the Senator wish to add those names as cosponsors?

Mr. SESSIONS. The names I read, except for Senator DODD, have already been listed as sponsors on the legislation.

I ask that Senator DODD and Senator DOMENICI be added as cosponsors.

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

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. SESSIONS. Yes.

Mr. DORGAN. I ask the Senator if he would allow my name to be added also as a cosponsor.

Mr. SESSIONS. I would be honored to have that.

Mr. DORGAN. I ask unanimous consent that my name be added as a cosponsor.

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

Mr. SESSIONS. I thank the Chair. Mr. President, I also ask unanimous consent that the occupant of the Chair, Senator ROBERTS, be added as a cosponsor.

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

Mr. SESSIONS. Thank you. Mr. President, I think, indeed, we are dealing with an important issue. I know

the Chair himself, along with other Senators, has introduced legislation that would, in effect, accomplish many of the things that are called for in this amendment. I salute you for your concern for children and your work in that regard. I think it is time for us to make sure that we establish a policy in this body that treats parents equally who sacrifice for their children. I think this amendment makes that point, and I am proud to offer it.

Mr. President, I believe we do have, by consent, 2 hours set aside for debate on this amendment. At this time, I ask unanimous consent that the remainder of that time be reserved. I would like to speak on it some more, and other Senators have advised me that they would be speaking on this.

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

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, under the previously agreed-to unanimous consent agreement, I believe that the Senator from North Dakota will be recognized for up to 20 minutes, and I would like to seek unanimous consent that following the statement of the Senator from North Dakota we would then recognize the Senator from New Hampshire, Mr. GREGG, for up to 20 minutes.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator is correct. Without objection, it is so ordered.

The Senator is recognized.

#### BUDGET PRIORITIES

Mr. DORGAN. Mr. President, I may not take the entire 20 minutes. But I thank the Senator.

Mr. President, we are talking about the budget. This is a ritual that occurs here every year in the U.S. Senate. And the budget reflects our priorities. What do we think is important? What do we hold dear? What do we think are the most important issues in this country?

I have said before that 100 years from now we will all be dead. None of us will be here. Historians will look at what this Congress felt was important, and find that out by evaluating what kind of a budget this Congress enacted. That will tell historians what Congress felt was important about the lives of the people who live in this country and what matters. What is the priority? That is what this budget debate is all about.

The Senator from North Dakota, Senator CONRAD, spoke a bit ago about where we have been. I recall a few years ago, during a particularly aggressive debate about the economy and fiscal policy, a colleague of mine standing on the floor of the Senate talking about how awful things are in America and how we really ought to be ashamed about what has happened in the last 35 years in this country. I sat over here. I listened to that. I thought, gosh, we must be living in different places.

I think this is a remarkable country. Yes; we have significant challenges.

But I look at the last 50 years as 50 years of significant advancement in this country in a dozen different ways. Yet some see it differently.

We find ourselves in this country today living in a country with an economy that is growing, more people working and fewer people unemployed. The inflation rate is down; the unemployment rate is down; economic growth is up; the crime rate is down; and the welfare rolls are down. Things are moving in the right direction in this country. It doesn't mean we don't have some challenges. But the fact is things are moving in the right direction.

I suppose some have their own ideas about why this has happened, why is it that we have reached this intersection and why this country is doing quite well.

Senator CONRAD indicated that in 1993—at a time when our budget deficits were growing year after year and a swollen budget deficit that was getting worse, not better—that Congress was called upon by a new President to do something serious about fiscal policy and to send a message to the people of this country that times in the future will be different, that Congress and a President would no longer sit around and accept increasing budget deficits. He proposed a plan that was enormously controversial. It passed by one vote here in the Senate and one vote in the House of Representatives.

For anybody who asks if one vote matters, it does. In 1993, a plan that was very controversial passed by one vote in both bodies. The result was the American people finally understood that we were going to put this country on the right track on reducing the Federal budget deficit and getting this country's fiscal policy under some kind of control. Yes, that bill made the right investments in the future, but it cut a good deal of spending, and yes, it did increase certain taxes, in most cases only for the wealthiest Americans. But it did. And that is what made it so controversial. It was hard to vote for. Some of my colleagues who voted for it are not here any longer. But it was the right thing to do, and it put this country on the right track. We find ourselves in a country where things are better.

Now the question is, What should this budget provide? What is important now for the future—education, health care, safe food, a clean environment, safe workplaces, jobs? What represents the priority of those of us serving now today? Are we trying to move forward, or are we holding back?

Let me just again remind people that we have always had in the Congress folks who have their dander up, saying, "Don't go there. Don't do that. It won't work." We had that with Social Security. We had it with Medicare. We had it with virtually everything that was intended to be done to make this a better country. When we decided to stop employing children in this country—let

us stop having 12-years-olds work 12 hours a day in the mines—we will have child labor laws, we had people who said, "Don't do that. It will ruin the economy." When we decided we were going to have a minimum wage law, we had people saying, "Don't do that. It will ruin the American economy." When we decided to have Social Security, we had people who said, "Don't do that. It is socialism." When we said let us have a Medicare program because half the senior citizens in the country can't afford health care, people said, "Don't do that. It will ruin this country."

This country has been strengthened by a lot of good ideas that have made this a better place. Yes. Social Security. Yes. Medicare. Yes. Food safety standards, clean air requirements, child labor law, minimum wages—a whole series of things that have made a better country. This country has a wonderful, wonderful history, and I think a better future.

We survived a civil war. We survived a depression. We won two world wars. We defeated Hitler. We cured polio. We put people on the Moon. We invented the television, the computer, and the jet airplane. This is quite a remarkable country. There is nothing quite like it on Earth.

If you look at other developed nations around the world, their economies have slowed down and are not doing well. Yet this country—the biggest, most successful democracy in the world, truly a country with significant economic might—is on the move again, on the march again, and doing much, much better.

So what do we have to do now, in order to keep our country moving forward? We need to face several big challenges: Medicare and Social Security. Before I talk about the priorities in the budget, let me talk about Medicare and Social Security. Those are the two big entitlements that we have to deal with. Even though we have dealt with most of the fiscal policy problems, we have a demographic problem in the future with Medicare and Social Security. I want to make one point about that.

The problems in Medicare and Social Security are born of success. We could solve Medicare and Social Security instantly if we simply go back to the same life expectancy that we had 30 or 60 years ago. Those who created the Social Security program created a program that said, by the way, you are expected to live, on average, to be 63 years of age and we will pay a retirement benefit after 65. I went to a small school. But I understand that adds up pretty well. If you are paying benefits at 65 years and people are living on average 63 years, that works out pretty well.

But from the turn of the century, when we were expected to live to age 48 in this country, to now, when you are expected to live to age 77, nearly 78 years of age, we have increased life expectancy in this country by nearly

three decades. Does that put some strain on Social Security and Medicare? Yes; it does. But, again, it is born of success. Just ratchet back life expectancy 30 years and you will solve the financing problem for Social Security and Medicare.

So we ought not shirk from these challenges. These are not difficult challenges. We can solve the demographic problems confronting Social Security and Medicare. But let us remember that the reason these problems exist is because we have had significant success in this country. People are living longer, better, and healthier lives. That is what is causing the problems in these areas.

Let me just for a moment talk about the priorities in the budget. Senator CONRAD talked about several of them. I want to focus on a couple.

Tobacco: Senator CONRAD has done a lot of work on the tobacco issue as the chairman of the task force here in our caucus. This budget resolution indicates that all of the revenue that will come from a tobacco settlement must be used exclusively to adjust the balances of the Medicare trust fund. In other words, it explicitly says no money from any tobacco settlement can be used for the central goal of the tobacco legislation, and that is, preventing people from starting to smoke in the first place, protecting young people in this country from the dangers of smoking.

Almost no one reaches 25 or 30 years of age and wonders what they can do to further enrich their lives and come up with the idea they ought to start smoking. Nobody does that because at that age they understand smoking can kill you. Cancer, heart diseases, and other illnesses persuade people who know the facts not to start smoking. The only future customers who exist for tobacco are kids. The targeted capability to try to addict our kids is something we are trying to attack in tobacco legislation.

The use of the funds from the tobacco settlement must be, it seems to me, used for anti-smoking education initiatives all across this country, for smoking cessation programs, for those who are addicted, for FDA tobacco-control activities, to counter tobacco advertising, and a range of other ways. But none of them are capable of being funded in this budget. None of them.

It doesn't make any sense at all to write handcuffs into this budget resolution that stop us from using the proceeds of the tobacco settlement to do the very things that we are having the tobacco settlement for in the first place, and that is to try to address the issue of teen smoking and to stop cigarette companies from addicting teens. Yet none of it is possible in this budget agreement. That cannot stand. We must have amendments and will have amendments on that issue.

Second, education: We have had a number of people here in the U.S. Congress who forever have said, "Let's just

say no on education" when it comes to the U.S. Congress. I understand and respect the fact that most of elementary and secondary education funding comes from State and local governments. It is that way and ever should be that way. Yet we in the Congress have developed some niche financing and some assistance in certain areas that help invest in education and make our schools better.

President Clinton has made some proposals dealing with education that are very, very important proposals that will not be funded in this budget. The proposal dealing with repairing America's schools is a very important proposal.

We have thousands of schools in this country that are 50 years old, or 60 years old, or 80 years old. They are coming apart at the seams. We send our children there. In the morning we tell our children good-bye. We kiss them good-bye and send them to school. We in this country don't want our kids to go to unsafe schools or go to schools that are in disrepair. None of us want, as parents, to do that.

I have two young children in public school. The taxes I pay to support their education are something that I am enormously proud of. I want those children, and all American children, to be the best educated children that they can possibly be. I want them to be able to say, "I went to the best schools in the world." That is what I want our public education system to be in this country. Yet, this budget says no to those education initiatives. It says we can't do anything about trying to stimulate the repair of crumbling schools by providing just a basic incentive from the Federal level to State and local school districts and others who would be able to put up the money at reduced interest charges to repair crumbling schools. This budget says we can't do that. It just says no to fixing crumbling schools.

Or, the question of class size. My daughter last year was in public school in a class of 30 students. Does anybody believe that it doesn't matter if your kid is in a class with 35 students or 30 students versus 15 students or 18 students? We know better than that. All of us know better than that. We all know that smaller class sizes mean better education, particularly more teacher time for each student. President Clinton talks about funding 100,000 new teachers, to try to reduce class sizes in this country. He is proposing after-school programs for school-age children who don't have any place to go after school because both parents are working. For all of these initiatives, the response is the response that we have had for 50 years from some of the same voices. "Just say no to these issues. It is not the Federal Government's job." Gosh, if we had relied on that advice we wouldn't have done much of anything that has made this a better country. A fair amount of what we have done in terms of public



investment has made this country a much, much better place in which to work and to live.

When President Clinton proposes smaller class sizes with qualified teachers, he is talking about an initiative of over 7 years to help local schools provide small classes by hiring more teachers in the early grades. When he talks about modern school buildings, he is talking about Federal tax credits to pay interest on \$22 billion in bonds to build and renovate public schools in this country.

But this budget that came out of the Budget Committee falls far short on these issues. The suggestion is, Well, this isn't a priority. This doesn't rank with other priorities. I disagree with that. And we have room, obviously, to disagree on these issues.

But if one doesn't believe that education is the first priority in this country—that our future is our children and the education of our children will determine what kind of country we have in the future, how we compete in the global economy, whether this country grows—if we don't believe that, we are not going to do well in the future. We must do as those who came before us have done and say that education is a priority. It represents the first priority for this country.

There is another little part of this budget we are considering that I find highly troubling, and I know at first blush it will be very, very interesting to some people. It is a piece that says let us sunset the Tax Code. In other words, it is saying that the Congress should sunset and get rid of the existing income tax system we have in this country. It includes a sense of the Senate provision providing for repealing the entire Internal Revenue Code at the end of 2001. Notice that it doesn't say what they would replace it with. It just says repeal the Tax Code.

Well, what that says to somebody who just bought a home yesterday or is considering buying a home tomorrow or next month or did 6 months ago, it says, "By the way, don't count on your interest deduction on your mortgage being deductible, because there may not be a tax system that allows you to deduct interest on your mortgage." Can you imagine that coming from this Congress?—this Congress saying, "Don't count on that?"

By the way, are you contributing to an IRA? This budget says, "Don't count on that being treated as it is now for tax purposes." Are you making a charitable contribution? "Don't count on that being deductible." Are you a business person about to make an investment, or a business about to make an acquisition of another company, and it hinges on the question of, How will this be handled from the Tax Code standpoint? What this says is, "Don't count on it. Don't count on this Tax Code, because we have other ideas."

We have billionaires walking around saying, "We want a flat tax." Only in Washington, DC, would it be a new idea

to hear a billionaire talking about a flat tax plan that cuts his own taxes. Only here could someone call that a stroke of genius. Flat tax, VAT tax, sales tax—these are the alternatives that are being proposed to the current system. What is behind this proposal to abolish the current Tax Code at 2001 without providing for an alternative? The stimulus behind this is that some people want to create a national sales tax, a national VAT tax, or some sort of national flat tax, all of which will cut taxes for the wealthiest Americans and increase taxes for working Americans.

Let me say that again, because it is important. This budget bill does not tell us what people have in mind as a replacement for the current system, because the majority can't agree on that. But all the plans that are being discussed to replace the current IRS Code—all of them would essentially say we are going to tax work and we are going to exempt investment.

I ask people this: Why is the income from work any less worthy than the income from investment? Why this romance with a plan that says, if you are a worker, we tax you; if you are an investor, we don't? If you get your money by working all day and you are bone tired at night after 10 hours going out working for a wage, trying to provide for your family, you pay a tax. But if you sit in a chair and clip your coupons and make your \$10 million a year from interest and dividends, this Congress likes you so much that you don't have to pay any tax. It is just the work that is taxed, the investment is not. We will have an amendment to strike this provision.

Get rid of the Tax Code? I don't particularly like the Tax Code. I think we could substantially improve it, dramatically simplify it. But get rid of it and replace it with a plan that says the upper-income people pay less taxes and lower- and middle-income people pay more taxes? I don't know who came up with this approach, but I hope they are prepared to defend it on the floor in discussing this amendment that I will offer at some point during the debate.

Mr. President, those are some of the difference I have with this budget. But I don't want people to believe that there is nothing in common among Senators. There are things in the budget resolution to which we will all agree.

I just stood and asked the Senator who was introducing the child care amendment to add my name as a co-sponsor. He is a Republican; I am a Democrat. I happen to think what he has said on the floor and what he has written on that amendment make good sense. It is right to say to those who need to find good child care, when both parents have to go off to work because they must make ends meet, and they have child care problems—can we and should we help them? Yes, I think we could and we should. Does it also imply that those who make sacrifices to have

one spouse stay at home to take care of those children, should they have some opportunity to see us reach out to try to provide some help to them? Absolutely.

There are a number of things—this being just one example—where we agree on public policy issues. I have mentioned a few where we don't agree. Where we don't agree, from time to time we have significant debate about that, and then we vote, and when the vote is over, we count the votes. The winner is the one with the most votes. We understand that. My party here in this Chamber has fewer votes than the other party. Hopefully, a number of these amendments will not be party line votes. The child care issue, which I just mentioned, is a good example of that.

I hope the first issue I mentioned will be another example. On tobacco, there is a big difference. I mean a huge difference. There are billions of dollars coming from a tobacco settlement that the majority says cannot be used under any circumstance to deal with teenage addiction. But the whole purpose of this settlement is to say to tobacco companies, "We won't allow you to addict our kids anymore. It is wrong." And we want to use some of the money from a tobacco settlement to fund smoking prevention, smoking cessation, addiction treatment and other public health work to deal with smoking. But the majority's budget says "No, you can't do it." Well, this budget has to be changed, and we are going to have a big debate about that.

The last item I mentioned, the Tax Code, do we want a budget to go through the Congress that says: "By the way, American people, we are going to sunset the Tax Code; we are going to get rid of the Tax Code at the end of 2001. So now, if you have your house, and you sit out there and wonder whether you are going to be able to deduct the interest on your mortgage? Just go ahead and wonder, because we are going to get rid of the Tax Code that allows to you do that and we are not going to tell you what we are going to put in its place. We may put a national sales tax in its place," they would say. "We will not tell you that yet, because we know that is controversial and we know how you will react when you find out what a national sales tax would do."

Well, we know what a national sales tax does because all the studies show it. There is no dispute about it. We know it will cut taxes for upper-income folks and raise taxes on working people. But the majority says, "We are not going to tell you what we are going to replace it with, but all we are going to do is serve notice on you today that your home mortgage interest may not be deductible tomorrow or in 2001." So we are going to have an amendment on that. We need to change that provision in this budget resolution.

Mr. President, I have used my time. There are several other items that I



will talk about later in this debate. I have mentioned a couple of amendments I intend to offer. I thank Senator CONRAD for giving me the time on this side.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 20 minutes.

Mr. GREGG. Mr. President, a number of points have been made by the Senator from North Dakota. He always makes them well. Even when I disagree with him, I enjoy listening to him.

Let me point out a few things that I want to talk about initially relative to this budget that, if you were to listen to the other side, you might not fully understand, because there appears to be an incomplete explanation.

For example, on the issue of education, the Senator from North Dakota used the term: "The Federal Government has niches which it is responsible for in the area of funding education." I think that is a good term, "niches." The Federal Government does not have responsibility for the overall funding of elementary and secondary school education. In fact, that has always been reserved to the local community, and should be reserved to the local community. It should be parents and teachers who are empowered, controlling their schools by controlling their local dollars.

But yes, we do have some niches that we are interested in as the Federal Government. Probably the primary niche we are interested in is taking care of the special-needs child. In fact, we have a law called 94-142, otherwise known as IDEA, the purpose of which is to make sure the special-needs children get adequate funding as they try to get decent schooling. When this law was passed, the Federal Government said it would pay 40 percent of the cost. Regrettably, the Federal Government, as of 2 years ago, was only paying about 6 percent of the cost. But as a result of the leadership of people on our side of the aisle, myself included, and Senator LOTT and a number of other people—Senator COLLINS from Maine—we have aggressively pursued trying to increase the funding for special education, and we have gotten it up to about 9.5 percent of the local cost. But it still remains the single largest unfunded mandate the Federal Government puts on local school districts and basically has the effect of saying to the local school district: You must educate these children. The Federal Government said it will pay 40 percent. We are not going to pay our 40 percent. Therefore, you must use your local tax dollars to pay the Federal share, and therefore you have very little flexibility in how you use your local tax dollars, because the Federal Government is requiring you to use them to educate children to pay for costs which the Federal Government was supposed to pay for in the first place.

Well, the administration has been grotesquely lax in its fulfillment of this obligation also. When the Senator

from North Dakota says the administration has all these wonderful new education initiatives—they are going to go out and build schools and reduce class sizes, they are going to add proposals and programs for after-school education—what they do not mention—what they do not mention—is the administration, the White House, the President, and the Democratic Members of this Congress, in their own budget as proposed, failed to increase at all, for all intents and purposes, funding for special-ed kids. They failed to even make a minor attempt to try to fulfill the obligation of the special-ed child, something that we are by law required to do.

So, yes, the Federal Government has niches in education. One of those primary niches, which we have cited, by law, is that we will pay 40 percent of the cost of the special-needs child. We don't do it. The Democratic Membership is unwilling to do it. The White House is unwilling to do it. Why? They want to take all kinds of new programs to take care of new constituencies to generate new press releases. It is about time they lived up to the obligation on the books. Our budget, the Republican budget, does that. It moves one more time aggressively—in fact, outlines \$2.5 billion of new spending for special education over the next 5 years—with a strong, firm commitment to try to get to that 40 percent, something that is totally ignored on the other side.

So, when you wanted to talk education, the Republican budget lives up to the obligation of the Congress, the Federal Government, in the area of education. The Democratic proposals just put out press releases and try to buy new constituencies and do nothing for the special-needs child. Basically, they failed in that arena.

Now we go to the issue of the tobacco settlement, and that is what I want to talk about primarily here today. The tobacco settlement is obviously a very complex and intricate piece of process. But there should be some black-letter rules that guide us in this settlement. The Senator in the chair has been a leader on identifying one of these black-letter rules, which is that attorneys should not get an outrageous amount of income out of these settlements. The billions of dollars in attorney's fees that are being awarded in Texas and Florida are just obscene, obscene. They are going out of the pockets of the taxpayer into the attorneys' pockets, and they are not doing anything for anybody. Clearly, there should be some action taken in that arena. That should be a black-letter law addressing this issue, and I congratulate the Senator in the chair for his leadership on that count.

Equally, we ought to recognize what the problems are that are created for the Federal Government as a result of tobacco smoking. The single biggest problem we have as a Federal Government as a result of tobacco smoking from a health standpoint is that senior

citizens are disproportionately impacted by the health impacts of smoking all their life, and that impact on senior citizens flows directly back to the cost being on the Federal Treasury in the Medicare system. So it is perfectly reasonable and appropriate and right, to the extent that the Federal Government receives revenues as a result of this tobacco settlement, that those revenues should go to support the primary cost which the Federal Government incurs as a result of tobacco smoking in this country, which is the cost to take care of our senior citizens.

I point out, the other side of the aisle suddenly has decided to spend this tobacco settlement money on all sorts of new initiatives for a panoply of new constituencies and programs, the purpose of which appears to be once again to create press releases rather than create substantive progress. I point out to the other side, it was just a year ago we saw from the other side such crocodile tears, it now appears—because they wouldn't be genuine tears or they would be supporting us in this matter—crocodile tears about their concern for the trust fund, Medicare trust fund, and how it was being raided, they alleged, by the Republican side of the aisle.

We made a firm, unalterable commitment to Medicare. We recognize on our side that Medicare remains probably the single most difficult entitlement program, from the standpoint of fiscal solvency, that we have on the books. Social Security is a tough one, but Medicare is even tougher. If we are going to address it effectively, we do need those revenues from the tobacco settlement in order to make sure that our seniors have a legitimate health insurance program.

So this proposal that we have in this budget to put the money into Medicare is the most logical place that it should go. It should not go to some new program that the President announces. Every day, he seems to announce a new program on the basis of the tobacco settlement. There was a week where I think literally every day of the week he announced a new program.

Let's support the programs we have on the books, both in education and in health care.

The tobacco settlement raises other issues, issues that I am concerned about. I read in the papers about the movement toward an agreement on the tobacco settlement. From my standpoint, I find the issue of immunity to be really the core issue of how this settlement comes down. Of course, it is the issue of immunity which the tobacco companies are trying to buy as they try to settle this lawsuit—this situation; it is not a lawsuit. It is a lawsuit in some areas but not a lawsuit at the Federal level. They are trying to buy immunity, and I have a lot of problems with that, and I should think any thinking Americans would have a lot of problems with that.

Basically, what we would be doing if we give the tobacco companies immunity—remember that we as a Congress have been unwilling to give product liability protection, not immunity, just plain little old protection to company after company that functions across this country producing legitimate products that make sense for the American people, that they use regularly and that they need, whether it happens to be your toaster oven, or whether it happens to be some gadget in your car, or whether it happens to be some other item—your computer screen. Company after company which has sought product liability reform in this Congress has met with a stone wall. The only product liability we have given in this Congress over the last 10 years has been for the small plane producer, which was a very good decision, and it has worked great for them.

For every other industry in this country, legitimate industries producing legitimate products that are used daily by Americans and that benefit Americans—benefit Americans—we have said no, absolutely no product liability protection.

Yet, the tobacco companies come to us—the producers of a product which, by its very nature, causes an addiction which it appears the tobacco companies knew caused an addiction, the purpose of which was to not only addict Americans generally but specifically targeted at our kids to addict them to something that will kill them—when the tobacco companies come to us, we say, “Oh, maybe we should give them immunity.”

What great irony. What incredible irony. We won't give immunity to the person who is making the toaster oven or the person who is making the computer or the person who is maybe making the device that allows somebody to live longer and live a better life, but we will give immunity to companies which are producing a product the purpose of which is to kill people, addict people and specifically targeted on our kids. I just find it incredible—incredible—that we would be considering that.

What is the argument for giving immunity? “Well, if we don't give them immunity, the tobacco companies won't agree to advertising restraints.” That is the only thing they give us for their immunity. We allow them to continue to produce a product which is inherently deadly, which is addictive, and what do we get? We get a little less of Joe Camel. What a great deal that is for the American people and for this Congress. It is absurd. Yes, we can't put limitations on their advertising without their agreeing to it because of the first amendment, in many ways, but there are limitations we can put on that are within the first amendment.

More importantly, we could act unilaterally as a Congress in all the other areas of this tobacco settlement, whether it has to be raising the cost of cigarettes so they become less market-

able—which is exactly what we should do—whether it happens to be addressing the issues of immunity, or whether it happens to be initiating our own counteradvertising campaign, and certainly the Government of the United States has the capacity, the will and the dollars to do that without any question in a manner that will be equally effective. I will be happy to go into the arena of advertising and debate the issue.

We can do everything in this tobacco settlement without granting immunity, but by granting immunity, we get virtually nothing. All we get is the tobacco companies agreeing to advertising limits. To me, it is inherently inconsistent and affronts the logic of the institution for us to be having our first major product liability protection flow to companies, flow to an industry which is producing a product the purpose of which is to addict people, specifically children, with the knowledge that it will kill them. It makes no sense.

For that reason, I am offering a sense-of-the-Senate amendment on the issue of immunity.

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

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

The legislative clerk read as follows: The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 2167.

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

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

The amendment is as follows:

At the end of title III, add the following:

**SEC. 3 . SENSE OF THE SENATE CONCERNING IMMUNITY.**

It is the sense of the Senate that the levels in this resolution assume that no immunity will be provided to any tobacco product manufacturer with respect to any health-related civil action commenced by a State or local governmental entity or an individual prior to or after the date of the adoption of this resolution.

Mr. GREGG. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, what this amendment says is it is the sense of the Senate that we won't grant immunity. Really this is a very simple vote for people. You can either come down on the side of setting the worst precedent I can imagine, which would be that the first major product liability reform in this country would be immunity, total absolute immunity, for all intents and purposes, granted to tobacco companies in exchange for their paying us money which we could obtain, if we decided to go that route, through some other policy without having to grant immunity.

The same amount of revenue can be generated a number of other ways without their agreement for advertising restraints, which means little to us, because we can address the advertising in other forums. For those two reasons, we grant immunity and, in the process, give a product which, as I mentioned a number of times, is inherently harmful, addictive, and aimed at our children and kills you, protection from lawsuits. It makes no sense.

Thus, I think the Congress should speak on this. I know a number of committees in the Congress are addressing this issue right now. They are negotiating through the process. But I believe we should as a Congress, as a Senate, speak on it early so that we lay out the framework of this debate early. If Members feel there is some value from giving immunity, let them vote that way. From my point of view, there is no value in giving this type of immunity. I just don't think the pluses outweigh the minuses in any sense of the word.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. KENNEDY. I ask that that request be withheld.

Mr. GREGG. Reserving the right to object.

The PRESIDING OFFICER. We have a reservation of a right to object.

Mr. GREGG. Mr. President, I simply don't want to yield back the time on my amendment. I will be happy to have the Senator proceed—

Mr. KENNEDY. On the bill, on our time.

Mr. GREGG. Right.

Mr. President, I ask unanimous consent that the Senator from Massachusetts proceed under the bill and not under the time on my amendment which is pending.

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

Mr. KENNEDY. I thank the Senator.

Mr. President, over the next few days, we will cast important votes on the budget resolution, including some of the most important votes this year on education priorities. We will also address issues affecting children, health care, enforcement of our antidiscriminatory laws, and on the proposed tobacco legislation.

I look forward to those debates. We will be having virtually all of them within a relatively short period of time. We will be debating many public policy questions. I want to take a few moments this afternoon to address some of those issues that I believe deserve the attention and support of the Members of the Senate.

We will consider a very important amendment by the Senator from the State of Washington, Senator MURRAY, on reducing class size. The President proposed to help ensure high academic achievement by all students by reducing the ratio of the number of teachers per student. It would help increase effective communication between the

teacher and the students, and give students more individual attention. The President's proposal will help reduce class size by increasing the total number of teachers for students in K through 12. We are going to have to actually increase the number of teachers by 50,000 a year just to maintain the current ratio of teachers to students, and this doesn't take into consideration the fact that in many parts of the country, we have an aging teaching population, as well as current shortages of teachers.

There was a request by the President of the United States to recognize that need and to also commit resources to that effort, and that was turned down by the Republican Budget Committee. The Budget Committee did not address the need to modernize our schools, even though a General Accounting Office study showed that we need over \$110 billion to ensure that students in our schools are safe and secure, free from environmental hazards, and in an atmosphere and climate where students can grow and learn. That effort, led by Senator CAROL MOSELEY-BRAUN, would provide \$22 billion in bonding authority to States and communities—and they would get the bonds interest-free.

The President has also advanced a concept called education opportunity zones. We should help school districts and communities address the challenges that they are facing, whether it is academic failure or significant problems in school dropouts or other kinds of difficulties giving them needed resources to implement creative and innovative reforms that work for their communities.

Chicago, for example, seems to be having success with its reforms. This city is tackling school reform head on, and it's working. We should help more communities that are attempting to do that. But the Republican budget ignores those needs, and turned down the Education Opportunity Zones proposal as well.

The Republican Budget ignores the fact that 5 million children were going home to empty homes or empty apartments, unattended, unsupervised, after school. Their only friend was a television set—with all of the problems and challenges that exist out there for young students, creating temptations for misbehaving. After-school programs have been so successful in this country, and they have had a dramatic impact in reducing violent crimes, reducing teenage pregnancy, and increasing academic achievement. Some of the programs I have seen in Boston help students develop skills that might eventually develop into job skills in photography or in cooking.

Parents and students alike support after-school programs. Parents know their children are safe and engaging in productive activities, and when they get home, the children have done their homework and are able to spend quality time with their parents.

It is clear that the Republicans do not want to address these issues. Perhaps we will have a chance later on in the Congress to resurrect these measures. But the way that the procedures work here, they will need what we call a supermajority, not just a bare majority, to get approval—we will need more than 60 in order to be successful.

So these debates will be very, very important in these next few days. We also should support efforts to increase funding for the IDEA program, for children with disabilities. There was some increase in those funds, but not nearly to the degree that they should be. We ought to at least have an opportunity to debate those issues and make a judgment on them.

We are effectively cut into a short period of time as a result of the Budget Act. And then when we return after the Easter break, we are restricted further on debate on the Coverdell bill. So it is obviously frustrating, when we know that the American people put the question about education front and foremost, but we are not being able to give the kind of full attention and support that we think these issues require.

Nonetheless, I wanted to say why I support the proposal that Senator MURRAY will be advancing and we will have an opportunity to debate on tomorrow, on the question of reducing the class size in grades K through 3 across the country.

And I say, Mr. President, I hope that all of our Members will pay special attention to Senator MURRAY as a former schoolteacher, former member of a school board, someone who has been active in the local life of a community, in the school policy issues. She brings enormous, refreshing insight and awareness and understanding of what really works in local communities, and I congratulate her on her leadership on this particular issue. I think all of us who listen to her benefit immensely from her range of knowledge, her understanding, and her real insight into education issues, and particularly when she speaks to the importance of reducing class size in grades K through 3 across the country.

A necessary foundation for success in school is a qualified teacher in every classroom to make sure that young children receive individual attention. That is why it is so important we help bring the 100,000 new qualified teachers into the public schools and reduce class size in the elementary schools. Research has shown that students attending small classes in the early grades make more rapid progress than students in larger classes. The benefits are greatest for low-achieving, minority, and low-income children. Smaller classes also enable teachers to identify and work effectively with students who have learning disabilities and reduce the need for special education in later grades.

A national study of 10,000 fourth-graders in 203 school districts across the country and 10,000 eighth-graders

in 182 school districts across the country found that students in small classes perform better than students in large classes for both grade levels. Gains were larger for fourth-graders than eighth-graders. Gains were largest of all for inner-city students in small classes. They were likely to advance 75 percent more quickly than students in large classes.

Another significant analysis, called Project STAR, studied 7,000 students in grades K through 3 in 80 schools in Tennessee. Again, students in small classes performed better than students in large classes in each grade from kindergarten through third grade. The gains were larger for minority students.

We also know that overcrowded classrooms undermine discipline and decrease student morale. Many States and communities are considering proposals to reduce class size, but you cannot reduce class size without the ability to hire additional qualified teachers to fill the additional classrooms. And the Federal Government should lend a helping hand.

This year, California Governor Wilson proposed to spend \$1.5 billion to reduce fourth-grade classes to 20 students or less, after having reduced class sizes for students in grades K through 3 last year.

In Pennsylvania, a recent report by the bipartisan legislative commission on urban school restructuring recommended capping class sizes in kindergarten through grade 3 in urban districts at 20 students per teacher.

In Wisconsin, the Student Achievement Guarantee In Education Program is helping to reduce class size in grades K through 3 in low-income communities.

In Flint, MI, efforts over the last 3 years to reduce class size in grades K through 3 have led to a 44 percent increase in reading scores and an 18 percent increase in math scores.

Congress can do more to encourage all of these State and local efforts. We've tested the effects of reducing class sizes, and we are seeing positive results. But it is only taking place in a handful of places across the country. The Murray amendment will take the success of those particular impressive outcomes and make them available to other communities across the country so that when the demonstrated success is out there, it will be replicated and duplicated all across the Nation.

This is a concept whose time is overdue. We have an excellent opportunity to make a very, very important contribution to helping local communities. This is a partnership between the local, State, and the Federal Government. We have all acknowledged that our participation at the Federal level is extremely small, about 7 cents out of every dollar. This is a modest program but one that can demonstrate very, very significant. We can help lead the way in reducing class size. I certainly urge my colleagues to support Senator MURRAY's amendment and to

increase our investment in education. The Nation deserves our support.

#### TOBACCO LEGISLATION

Mr. President, on another subject, while I have great respect for the time and the effort which the chairman of the Commerce Committee has devoted to tobacco legislation in recent weeks, the proposal he announced over the weekend is inadequate to address the public health crisis of youth smoking.

The seriousness of the threat to our children requires a much stronger response. The chairman's mark does too little to protect children from smoking, and it does far too much to protect the tobacco industry from its victims. On each of the key issues, this proposal falls short of what comprehensive tobacco control legislation should be.

First, the significant price increase of \$1.10 per pack over 5 years, which the Commerce bill proposes, is not substantial enough to produce the dramatic reduction in youth smoking which all of us desire. Public health experts have concluded that an increase of \$1.50 per pack swiftly instituted and indexed for inflation is necessary to achieve our youth-smoking-reduction goals.

Dr. Koop and Dr. Kessler, the National Academy of Sciences, the ENACT Coalition, and the Save Lives, the Not Tobacco Coalition have all stressed the importance of a price increase of at least \$1.50 per pack. Nearly half the Members of the Senate have already cosponsored bills proposing a \$1.50 per pack increase within 3 years. The Budget Committee also endorsed a \$1.50 increase on a bipartisan vote of 14-8.

According to Deputy Treasury Secretary Lawrence Summers, every 10 cents in price will reduce youth smoking by 270,000 children over 5 years. Thus, the difference between \$1.10 and \$1.50 will be more than one million additional kids smoking in the year 2003.

Only an increase of at least \$1.50 a pack can reduce youth smoking to the targets outlined in the June 20 settlement, which is 60 percent in 10 years, and prevent these additional children from a lifetime of nicotine addiction and tobacco-induced diseases.

One million young people between the ages of 12 and 17 take up this deadly habit every year—3,000 smokers a day. In fact, the average smoker begins smoking at the age of 13 and becomes a daily smoker before the age of 15.

These facts are bad enough, but the problem is growing worse. According to a spring 1996 survey conducted by the University of Michigan Institute for Social Research, the prevalence of teenage smoking in America has been on the increase over the last 5 years. It rose by nearly one-half among 8th graders and 10th graders, and nearly a fifth among high school seniors between 1991 and 1996.

I point out on the floor that we have seen a dramatic difference in our own State of Massachusetts where we have reduced the consumption by a third of

the national average. It is very interesting. We had a very modest increase in the cost of tobacco in my State, but we also had a counteradvertising campaign. And lo and behold, the tobacco industry reduced the prices to absorb all of the increase that had been required by the State. But with the tobacco education campaign, we saw a reduction of a third as measured to other kinds of nationwide figures.

So the point that we are making here is that with the additional \$1.50 to \$2, which virtually every one of the public health authorities have mentioned to be essential within the short period of time of 3 years, and the attendant kind of counteradvertising campaign and the cessation programs to help to assist kids to stop smoking and the support for antismoking campaign efforts by nonprofit and community-based organizations—all of those programs can have a dramatic impact.

Now we know that there will be those who say—\$1.12 at least is where the President's request would have been in terms of his budget submission. But the fact is the President and the Vice President, the administration, have basically supported the \$1.50 in the shorter period of time. I hope that we are not looking for what is the least we can do for the young people of this country. I hope what we would be saying as a test is that we are looking for what is in the best interest of the young people of this country. How are we going to set that standard? Rather than what is the least we can penalize the tobacco companies in order to please them, we ought to be looking for what is in the best interest of these young people in order to meet that particular responsibility.

Mr. President, I hope we will have an opportunity to vote on that during the course of the consideration of the budget. I know we have inclusion in the budget of \$1.50 per pack, but I hope that we will, or I expect we will, have a chance to vote on \$1.50 as well and put the Members on record on this particular issue, and I welcome the chance to support that if our leaders, Senator CONRAD and Senator DASCHLE, offer that.

We have a very simple way of doing this, making sure the FDA is going to have the kind of legislative authority to be able to deal with the problems of addiction. And it is very clear what words have to be added to the authority of the FDA to be able to do that. We know the FDA will have the authority and the power to do so. However, the Commerce Committee refused to accept this regulatory approach, and they have other language in there which I am very much concerned may create endless litigation opportunities for America's most litigious industry, big tobacco.

We will look forward to seeing the details of the language. Again, I wonder why we don't try and do it right, do what is in the public health's interest, but that is the standard rather than

what is more acceptable to the tobacco industry.

I know our friend and colleague, Senator CONRAD from North Dakota, will go into considerable detail. The fact is that these look-back provisions in the Commerce Committee draft are fundamentally flawed, and I think all of us in this body understand if we don't have adequate penalties, then we really don't have adequate protections. Penalties have to be effective, at least have an effective action in discouraging youth from smoking. As designed in the Commerce Committee proposals, I believe they are woefully lacking.

Once children are hooked into cigarette smoking at a young age, it becomes increasingly hard for them to quit. Ninety percent of current adult smokers began to smoke before they reached the age of 18. Ninety-five percent of teenage smokers say they intend to quit in the near future—but only a quarter of them will actually do so within the first eight years of lighting up.

If nothing is done to reverse this trend in adolescent smoking, the Centers for Disease Control and Prevention estimate that five million of today's children will die prematurely from smoking-caused illnesses.

Increasing cigarette prices is one of the most effective ways to stem this tide. Study after study has shown that it is the most powerful weapon in reducing cigarette use among children, since they have less income to spend on tobacco and many are not already addicted.

An increase of \$1.50 per pack in cigarette prices is also realistic. It will not bankrupt the industry, which will pass it on in the form of higher prices. If we increase the pack by \$1.50, the total cost will be \$3.45 a pack—still lower than the cost in many European countries—\$3.47 in France, \$4.94 in Ireland, and \$5.27 in England.

Secondly, I am concerned about the FDA provision in the Commerce Committee draft. It will not allow FDA to regulate nicotine as a "drug" and cigarettes as "drug delivery devices." Public health experts strongly believe that this is the most effective way to regulate tobacco products. When the Commerce Committee refused to accept this regulatory approach, compromise language was drafted to create a new FDA chapter for tobacco products. I am concerned that this approach will create endless litigation opportunities for America's most litigious industry—Big Tobacco. Why not provide the public health advocates with the legal tools which they believe will be the most effective in regulating tobacco products? Why place unnecessary hurdles in their path?

Third, the lookback provisions in the Commerce Committee draft are fundamentally flawed. The penalties for the tobacco industry's failure to meet the youth smoking reduction targets are arbitrarily capped at \$3.5 billion, which is the equivalent of only 15 cents

a pack. An increase this small will hardly give tobacco companies a strong economic incentive to stop marketing its products to children. It will just become a cost of doing business. This proposed cap will destroy the effectiveness of the lookback penalties as a meaningful deterrent.

In addition, the penalties are imposed on an industry-wide basis, which removes the incentive for an individual company to stop marketing its products to children. In fact, the Commerce Committee draft will create a perverse incentive for a company to increase its marketing to children. Each company knows that if it captures a greater youth market share, its own costs will rise by no greater an amount than its competitors, while its future profits will be increased and its competitors will bear a portion of the cost associated with gaining that long-term competitive advantage. It is critically important that the penalties are assigned on a company-specific basis to give each individual company a strong economic incentive to discourage children from beginning to smoke.

The targets for the reduction in smokeless tobacco use among children are also not in parity with the targets for cigarette use reduction.

The use of oral snuff and chewing tobacco is a serious public health problem. It causes cancer, gum disease, tooth loss, as well as nicotine addiction and death.

The Committee should not let smokeless tobacco products become a cheaper substitute for children if the price of cigarettes increases due to the lookback penalties. In Massachusetts, once the price of oral snuff and chewing tobacco was brought into parity with cigarettes, its use among adolescents fell by over two-thirds between 1993 and 1996. Smokeless tobacco deserves equal attention, and we should expect similar reductions in use among children.

Fourth, the environmental tobacco smoke provisions are clearly unacceptable. States will be allowed to opt out of providing protections from exposure to secondhand smoke to workers and their families. This means there will be no national minimum standard to protect non-smokers, particularly children, from exposure. The Commerce Committee draft also exempts restaurants from smoke-free requirements, despite the fact that the Journal of the American Medical Association has reported that environmental tobacco smoke exposure for restaurant workers are estimated to be two times higher than for office workers, and at least 1.5 times higher than for persons who live with a smoker.

Fifth, the provisions on document disclosure in the Commerce mark are grossly inadequate. It would not require disclosure of many of the most significant documents. It would allow the industry to hide behind a "trade secret" privilege no matter how significant the information concealed was to advancing the public health.

Sixth, while the Chairman has not yet publicly disclosed the full extent of the litigation protection he intends to offer the industry, the proposals being promoted in private discussions are truly draconian. They would prohibit all class actions for past misconduct, prohibit punitive damages for past misconduct, prohibit all third party claims and impose other serious restrictions on aggregation of claims. Collectively, these restrictions would make it practically impossible for the victims of smoking induced illness to recover from the industry whose product is killing them. We must not bar the courthouse doors to the victims of the tobacco industry. I hope these extreme and grossly unfair proposals are never put before the Commerce Committee.

One litigation protection for the tobacco industry is already in the Commerce Chairman's mark. It is really the ultimate protection any industry could be given. On page 96 of the draft, tobacco companies are granted an 80 percent tax credit for money paid in judgments or settlements for lawsuits. In plain language, this means that the American taxpayers will pay 80 cents of every dollar the industry is ever required to pay to its victims. Instead of using the money raised by the \$1.10 per pack cigarette price increase to deter youth smoking, to conduct anti-smoking education and counter-advertising campaigns, to assist smokers who want to quit, and to conduct medical research into smoking related diseases, this legislation proposes to give it back to the tobacco industry to cover its litigation losses. This outrageous idea should be rejected by all one hundred Senators. Congress was embarrassed last summer by the \$50 billion tobacco industry tax credit snuck into the Balanced Budget Act. Enactment of the tobacco company tax credit in the Chairman's mark would be an even greater embarrassment.

The legislation which the Commerce Committee is scheduled to consider this week is seriously flawed. It should be sent back to the drawing board for a major redesign. Congress has an extraordinary opportunity this year to protect generations of children from a lifetime of addiction and premature death. To accomplish that great goal will require a much stronger bill than the one currently before the Commerce Committee.

I want to next address the child care challenges that we are facing in the budget. President Clinton is right in giving it a high priority. Cutting-edge research is giving us a greater understanding of the great significance of the early childhood years and development. Obviously, the best possible care should be available and affordable, and it should be quality. That is central to what this issue is really all about.

We know we need more child care and child development programs. We know we need money to pay for those programs. The Senate Democrats have proposed increasing our commitment

to child care improvements by at least \$14 billion in mandatory spending over the next 5 years. This was immediately attacked as "big government spending" on new programs. Why is it only when the investment is in our children that it is considered "big government spending"?

The Republican budget would preclude the possibility of child care legislation beyond their proposed increase of \$5 billion in discretionary authority for the Child Care and Development Block Grant and \$9 billion in tax cuts. Both of these approaches are problematic. We know we will never see discretionary money for child care, given the discretionary spending squeeze.

Obviously, these child care dollars would only become available if offsets were made in other discretionary programs, and programs for low-income children and families are always most vulnerable. In addition, the proposed tax cuts are unlikely to help the very families who most need assistance in paying for child care—low-income working families. As long as the dependent child care tax credit remains nonrefundable, expanding it does nothing to assist low-income working families, who have no tax liability. In effect, the child care proposals in the Republican budget are empty promises that simply give Republicans a chance to say that they have done something for child care. Our children and families need guarantees. We must have real, mandatory money for children and their families.

On another issue, employment discrimination takes many forms, whether based on gender, age, race, or national origin. Bigotry in the workplace undermines the fabric of our country and society.

When the Civil Rights Act of 1964 was signed over 30 years ago, Congress intended that the Equal Employment Opportunity Commission serve as a national watchdog against workplace discrimination. The Agency's mission is laudable. It has been an important force in curbing real and widespread problems of work force bias.

For example, the EEOC was able to reach a settlement with Del Laboratories after 15 women brought charges alleging several decades of egregious sexual harassment. The Agency was also able to end 15 years of discrimination against African Americans and women at Estwing Manufacturing Company. Estwing had a policy of race-coding applications to prevent the hiring of African Americans and refusing to hire women to perform certain jobs.

Who can forget the outrageous incidents of gender discrimination taking place at Mitsubishi Motor Company. The EEOC is currently representing over 300 women in that Mitsubishi litigation.

In recent years, the Agency has "re-invented" itself, and, without additional resources, managed to decrease the number of cases waiting for investigation and resolution. There is a

limit, however, to what the EEOC can do without a budget that reflects its responsibilities.

I urge my colleagues to support the President's request for \$279 million for the EEOC. The Senate must earmark these funds for the Agency. It is the right thing to do and this is the time to do it.

#### MEDICARE

Too many Americans nearing age 65 face a crisis in health care. They are too young for Medicare, but too old for affordable private coverage. Many of them face serious health problems that threaten to destroy the savings of a lifetime and prevent them from finding or keeping a job. Many are victims of corporate down-sizing or a company's decision to cancel the health insurance protection they relied on.

Three million Americans aged 55 to 64 are uninsured today, but no American nearing retirement can be confident that the health insurance they have today will protect them until they are 65 and are eligible for Medicare.

The consequences of being uninsured at this age are often tragic. As a group, they are in relatively poor health, and their condition is more likely to worsen the longer they remain uninsured. They have little or no savings to protect against the cost of serious illness. Often, they are unable to afford even the routine care that can prevent minor health problems from turning into serious disabilities or even life-threatening illness.

If we do not act to stem this trend, the problem will only get worse. Between 1991 and 1995, the number of workers whose employers promise them benefits if they retire early dropped twelve percent. Barely a third of all workers now have such a promise.

In recent years, many others who have counted on an employer's commitment found themselves with only a broken promise. Their coverage was canceled after they retired.

For these older Americans left out and left behind through no fault of their own after decades of hard work, it is time to provide a helping hand.

Democrats have already introduced legislation to address these issues—and the budget must provide for its enactment. The legislation allows uninsured Americans age 62–64 to buy in to Medicare coverage and spread part of the cost throughout their years of eligibility through the regular Medicare program. It allows displaced workers aged 55–62 to buy into Medicare to help them bridge the period until they can find a new job with health insurance or until they qualify for Medicare. It requires companies that drop retirement coverage to allow their retirees to extend their coverage through COBRA until they qualify for Medicare.

This legislation is a lifeline for millions of older Americans. It provides a bridge to help them through the years before they qualify for full Medicare

eligibility. It is a constructive next step toward the day when every American will be guaranteed the fundamental right to health care. It will impose no additional burden on Medicare, because it is fully paid for by premiums from the beneficiaries themselves.

#### MANAGED CARE

A week ago, Helen Hunt received an Oscar for her role as the mother of a severely asthmatic child in the movie "As Good As It Gets." In the movie, she delivers a line of unrepeatable insults aimed at her son's HMO. And audiences across the nation burst into applause and hoots of knowing laughter. In some cases, life imitates art. In this case, however, art imitates life.

We face a crisis of confidence in health care. A recent survey found that an astonishing 80 percent of Americans now believe that their quality of care is often compromised by their insurance plan to save money. Another survey found that 90 percent of Americans—men and women, across the political spectrum—say a Patients' Bill of Rights is needed to regulate health insurance plans. And they report that they are willing to pay for it, despite a campaign of disinformation from the business community and insurance industry.

One reason for this concern is the explosive growth in managed care. In 1987, only 13 percent of privately insured Americans were enrolled in HMOs. Today 75 percent are in some form of managed care.

At its best, managed care offers the opportunity to achieve both greater efficiency and higher quality in health care. In too many cases, however, the priority has become higher profits, not better health.

The list of those victimized by insurance company abuse grows every day.

These abuses are not typical of most insurance companies. But they are common enough that Congress needs to act to protect the American public. A recent report in California found that 17 percent of managed care enrollees developed permanent disabilities as a result of plan denials. The Clinton Administration is prepared to support legislation to address these issues. Members on both sides of the aisle in both chambers are prepared to act. And the time to act is now.

We need to ensure access to appropriate specialty care—care that people pay for through their premiums, deductibles and copayments. We need to ensure that patients have the rights to appeal plan denials, especially those that threaten the life, health or future potential of those in need of services. We need to take action to monitor and improve the quality of care for everyone. We need to make plans accountable for their decisions, and provide all patients, regardless of whether they receive their insurance in the individual market, from a public program or through an employer, with the right for redress when plan denials result in injury or death. We need to simply

make sure that people are aware of their rights and able to compare their options—when they are fortunate enough to have a choice of plans.

Legislation must be carefully crafted, so that it curbs abuse without stifling innovation and appropriate measures to control costs, but action is essential. The American people know that the current system is out of control, and they want protection. This can be the Congress that finally enacts a health insurance bill of rights to assure that patients receive the protection their insurance company promises but too often fails to deliver. Our national bottom line must be patient needs, not industry profits.

#### CHILDREN'S HEALTH

Last year, we created a new children's health program designed to reach uninsured children in working families whose income is too high for Medicaid but too low to afford private health insurance. We made an unprecedented investment of 24 billion dollars over the next five years. More than 10 million children are uninsured, and approximately one-third of those children are already eligible for, but not participating in, Medicaid. We need to do more to enroll children in the programs for which they qualify. And we need to ensure that the proper resources and options are available to states to encourage enrollment in the new program.

The President included proposals in his budget to expand the outreach opportunities available to states. They were paid for by other administrative savings in Medicaid. But they have mysteriously disappeared in this Republican budget. Instead, it appears that the savings extracted from a program that serves primarily low-income women and children are being used to buy bridges and roads. Gone are the provisions, scored by CBO at only \$400 million, that would help states fulfill our goal of enrolling every eligible child in the health insurance program for which they qualify. Why? They could have included the outreach provisions and still had a billion dollars to spend on other priorities.

Mr. President, these games have to stop. When the Congress acts to provide its citizens with opportunities, we should make every effort to follow-through with policies that address implementation concerns. If we really want children to receive the health insurance we extended to them last year, we need to fully fund outreach activities. This budget fails to deliver the funds necessary to ensure uninsured children receive the care to which they are entitled.

#### DISABLED PERSONS

Mr. President, I want to reinforce an issue of great importance to every American in this country that Senator JEFFORDS will be speaking about later today—the need for accessible and affordable health care for disabled persons, so they can work and live independently.

Disability does not pick its owner—it can happen to any of us here today, and we have seen many of our own colleagues and Members of this Congress struggle with the unexpected consequences of disability in their lives. Yet disability policies in this country continue to impoverish disabled persons and disregard their ability to be productive members of their community.

The lack of accessible and affordable health care is the reason that only one half of 1 percent of disabled persons ever go to, or return to work. There are 54 million disabled people in this country who may have the capacity to work but cannot because they are afraid of losing their health care.

This Congress needs to put in place health care options that support disabled persons to work, live independently, and be productive and contributing members of their community. I encourage your support in funding these options during this budget process.

Mr. CONRAD. Mr. President, I wish to recognize the leadership of Senator KENNEDY on the critical issue of protecting the public health and the tobacco legislation. He has been one of the most valued members of the task force on tobacco in the Democratic Caucus. No one has worked harder to make certain that we keep our eye on the ball of what are the important priorities. Over and over, he has reminded our colleagues that the priority is to protect the public health and to reduce teen smoking. Those are the things that I think all of us want to accomplish. I thank him publicly for the extraordinary leadership he has brought to the cause.

Mr. GREGG. Mr. President, I understand the Senator from North Dakota is willing to yield back the time remaining on my amendment.

Mr. CONRAD. We are prepared to yield back, and the Senator is prepared to yield back.

Mr. GREGG. I ask unanimous consent we both be allowed to yield back—I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

AMENDMENT NO. 2168 TO AMENDMENT NO. 2167  
(Purpose: To express the sense of the Senate that this resolution assumes that no immunity from liability will be provided to any manufacturer of a tobacco product)

Mr. GREGG. I send to the desk an amendment in the nature of a second degree.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself and Mr. CONRAD, proposes an amendment numbered 2168 to amendment No. 2167.

Mr. GREGG. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the first word and insert the following:

### 3 . SENSE OF THE SENATE CONCERNING IMMUNITY.

It is the sense of the Senate that the levels in this resolution assume that no immunity will be provided to any tobacco product manufacturer with respect to any health-related civil action commenced by a State or local governmental entity or an individual or class of individuals prior to or after the date of the adoption of this resolution.

Mr. CONRAD. I ask unanimous consent I be added as a cosponsor to the amendment that has been sent by the Senator to the desk.

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

Mr. CONRAD. I understand Senator SESSIONS would like to get the yeas and nays on his amendment.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Alabama.

Mr. SESSIONS. Madam President, I ask for the yeas and nays on my amendment No. 2166 offered previously.

The PRESIDING OFFICER. Is there an objection to it being in order at this time for the yeas and nays?

Without objection, the Senator may request the yeas and nays.

Mr. SESSIONS. I request the yeas and nays of my amendment No. 2166.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered.

Mr. CONRAD. Now we go to the Senator from Arizona.

Mr. KYL. Madam President, I ask unanimous consent the pending amendment be laid aside for the purpose of offering an amendment.

The PRESIDING OFFICER. The amendment is laid aside.

#### AMENDMENT NO. 2169

(Purpose: To express the sense of Congress regarding freedom of health care choice for medicare seniors)

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 2169.

Mr. KYL. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, add the following:

#### SEC. —. SENSE OF CONGRESS REGARDING FREEDOM OF HEALTH CARE CHOICE FOR MEDICARE SENIORS.

(a) FINDINGS.—Congress finds the following:

(1) Medicare beneficiaries should have the same right to obtain health care from the physician or provider of their choice as do Members of Congress and virtually all other Americans.

(2) Most seniors are denied this right by current restrictions on their health care choices.

(3) Affording seniors this option would create greater health-care choices and result in fewer claims being paid out of the near-bankrupt medicare trust funds.

(4) Legislation to uphold this right of health care choice for seniors must protect beneficiaries and medicare from fraud and abuse. Such legislation must include provisions that—

(A) require that such contracts providing this right be in writing, be signed by the medicare beneficiary, and provide that no claim be submitted to the Health Care Financing Administration;

(B) preclude such contracts when the beneficiary is experiencing a medical emergency;

(C) allow for the medicare beneficiary to modify or terminate the contract prospectively at any time and to return to medicare; and

(D) are subject to stringent fraud and abuse law, including the medicare anti-fraud provisions in the Health Insurance Portability and Accountability Act of 1996.

(b) SENSE OF CONGRESS.—It is the sense of Congress that seniors have the right to see the physician or health care provider of their choice, and not be limited in such right by the imposition of unreasonable conditions on providers who are willing to treat seniors on a private basis, and that the assumptions underlying the functional totals in this resolution assume that legislation will be enacted to ensure this right.

Mr. KYL. Madam President, this amendment is a sense of the Senate entitled "Freedom of Health Care Choice for Medicare Seniors." The purpose of this amendment is for Members of the Senate to go on record as supporting the eventual adoption of legislation that will ensure that all seniors have freedom of choice in obtaining health care services for themselves and members of their families.

As a result of the balanced budget amendment of last year, an amendment went into effect on January 1 that precludes most seniors from having this freedom to contract. While it establishes the principle that they may do so, it puts forth a condition that is virtually impossible for them to satisfy; namely, to find a physician who is willing to dump all of his Medicare patients for a period of 2 years prior to the time that their services are sought. As a result, it is impossible for most seniors to exercise a choice that is theoretically theirs in the law today.

This proposal to be amended into the Balanced Budget Act is to express our sense that we intend to adopt legislation later that will provide for this right. As a matter of fact, I have introduced legislation, as has Congressman BILL ARCHER from Texas in the House of Representatives, that would fulfill this commitment. Mine is Senate bill 1194, the Medicare Beneficiaries Freedom to Contract Act. We have 49 cosponsors for this at the moment, and I think number 50 is on the way. Clearly, it is a popular idea because of the expressions of concerns by our senior citizens that they would like to have the freedom to contract for the services they desire. In the House of Representatives, Representative ARCHER, chairman of the Ways and Means Committee, has over 190 cosponsors.

What is this sense of the Senate, and why do we need it? We believe the sense-of-the-Senate amendment here provides that Medicare beneficiaries should have the same right to obtain health care from the physician or provider of their choice as do Members of Congress and virtually all other Americans, and that there should be no unreasonable provisions or unreasonable



conditions that prevent them from obtaining this care. Moreover, we specifically provide that the assumptions underlying the budget resolutions assume that this legislation will be enacted.

So what is the problem here? Prior to January 1 of this year, and for all of the time that Medicare has been in effect, Americans have had the ability to go to the physician of their choice, and if that physician did not feel he could treat them under Medicare, or chose not to do so, or they chose not to be treated under Medicare, they would have the choice to contract outside of Medicare. Obviously, they had to pay the bill themselves.

For most Americans, Medicare is such a good deal that this was rarely taken advantage of. However, there are situations in which a senior citizen might want to take advantage of this requirement. It had always existed. For example, a constituent of mine wrote to me and pointed out that in her community there was only one specialist that she felt could take care of her particular kind of diabetic condition. She went to see that physician, and he said that since she was 65 years of age, she was a Medicare beneficiary, she was Medicare eligible, and since she was Medicare eligible, he would have to submit the bill to Medicare if he treated her, but that he could not take on any more new Medicare patients, that he had as many as he could afford to continue to provide care to. She said, "No problem, I'll pay you. You bill me directly, and we will save Medicare the money." He pointed out—and verified this with the Health Care Financing Administration—that they would assume he had committed fraud if he took care of her, submitted the bill to her, and had her pay him directly.

Unless the bill is sent to Medicare, the care can't be provided. In effect, it is Medicare or no care. As of January 1 of this year, that is the law of the United States of America, believe it or not. Once you turn 65, you lose a right that all other Americans have, which is to go to the physician of your choice. It is Medicare or no care. You cannot contract outside of Medicare for Medicare-covered benefits. That is fundamentally un-American.

If you have saved all of your life to provide for health care for yourself, your spouse, and your family, you are going to do anything within your power to help your spouse, let's say, who is ill, and if she wants to go to someone who is not treating new Medicare patients, for example, or is a non-Medicare-treating physician, you are going to spare no expense to save her life. I had this happen to a friend of mine. I was able to get a compassionate release from FDA to get an experimental drug so she could use it in the last few months of her life. Unfortunately, she passed on anyway. Her husband was willing to do anything to preserve her life, go to any lengths.

Are we going to tell senior citizens in the United States they can't do that,

they can't go to the doctor of their choice, that they have to go through Medicare or they can't be cared for at all? If they can't find somebody willing to treat their particular condition under Medicare, that is it, sorry, this is the United States of America, but they don't have that right anymore?

If you are 64 and a half, of course, you have that right. If you are a Member of Congress, you have that right. If you are in Great Britain, under a socialized medicine system, you have that right. Even in Great Britain, which has socialized medicine, you can either go to that program or contract privately, so long as you pay the bill yourself. That is all we are asking for the United States of America. Yet, under an amendment that the President insisted be part of the Balanced Budget Act of last year, that right has been taken away from seniors in this country.

All over the country, seniors are beginning to complain because they have figured out what has been taken away. This is one of the first things being brought up in town hall meetings. They ask me, "Why are you taking away the Medicare rights?" I have said, "Look, I didn't do it. I didn't know that agreement had been struck in the middle of the night and snuck into the Balanced Budget Act. Everyone voted for it, and we knew nothing about it. A couple of days later, it was revealed that the President had insisted that this provision go into the law."

So, Madam President, I think it is important for the Members of the Senate to go on record in the Budget Act here as supporting the principle of freedom to contract. The measure I have introduced has all kinds of safeguards to prevent fraud and abuse. We can have a good discussion about exactly what those should be. If you have a suggestion on how to make it better, fine with me, let's talk that out. At some point, we will actually bring that legislation to the floor and have that debate.

I think all of us can agree on the basic principle that, A, we should have the freedom of choice to contract with the physician of our choice in this country; B, there should be adequate provisions to prevent fraud and abuse; and, C, we need to get this done as soon as possible. That is what our sense of the Senate calls for, Madam President. I hope that those people who have expressed opposition to this legislation will come forward and debate the issue. Let's have an open public debate, because the people of America need to understand what the Congress and the President did to them last year when it took away this fundamental right. Those of us who believe in the principle of doing everything you can for your loved ones need to support this.

One final thought before I sit down. This law that is currently in effect is just like saying to seniors on Social Security that the only way you can provide for your retirement, your fi-

nancial needs, is through the Government's Social Security system; you can't save any money, you can't have any stocks and bonds, you can't have any pension, you can't have any insurance annuities—none of that; it is either the Social Security system, the Government program, or no system. That is what we have said with regard to health care—you either take the Medicare health care program or nothing; you cannot contract outside of Medicare for covered benefits. As I said, it is ludicrous when you present it that way.

Opponents say that there might be some fraud and abuse here. I think that sells the physicians in this country and our senior citizens very short. I know of nobody more careful about their bills than seniors. I know my mom and dad are. They can tell you whether they were overcharged. We can put provisions in this to ensure that there is no fraud and abuse. I think it is fundamentally wrong for us to deny this right to citizens just because we feel there may be some physician out there who would abuse the system.

So I conclude by urging colleagues, when we have an opportunity to vote on this, to support this principle again in the Budget Act—and at this point it can only be a principle; it cannot be the effective legislation. We will propose that later. Surely we can support this principle through the sense of the Senate and, at a later time, actually support the legislation that would accomplish the principle.

Madam President, at this time I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KYL. I thank my colleagues.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, earlier, Senator KENNEDY raised concerns about the tobacco legislation that is moving through Congress. Obviously, tobacco legislation is part of the budget resolution as well. The budget resolution provides a special reserve fund so that, in fact, if the tobacco legislation moves, it will be possible to use those funds for a number of purposes.

Senator KENNEDY had indicated that at the same time there is legislation moving through the Commerce Committee. He raised a number of concerns about the legislation as it has been described in the press. Madam President, just let me add my voice of concern to what we have heard about that legislation moving through the Commerce Committee. One of the major issues on comprehensive tobacco legislation is, Will this industry be given special, unprecedented protection—protection that has never been granted any other industry at any time? That is, special protection against suits by victims of the industry, whether they be individuals or third parties who have had

costs imposed on them by the use of tobacco products.

Madam President, the bill going through the Commerce Committee at this point is silent on the question of liability—liability for the tobacco industry. Being silent on liability in tobacco legislation is like having a discussion of the Titanic and failing to mention the iceberg. This is central to any discussion that anybody can have about tobacco legislation. How can you be silent on the question of liability?

Many of us believe that there should be no special protection granted this industry. Many of us believe it is inappropriate to give this industry, of all industries, the kind of unprecedented protection that they seek. It is troubling that we saw this industry come before Congress and swear under oath that their products caused no health problems, swore under oath that they had never targeted our kids for marketing and advertising, swore under oath they had never manipulated nicotine levels in order to make their products more addictive, and that their products were not addictive.

Now the documents have come out. The documents show that, without question, in fact, these products cause the health problems that they have sworn they do not cause. We know, based on the release of the documents, that they have targeted our kids for marketing and advertising. In fact, they have targeted kids as young as 12 years old in their marketing and advertising. The documents disclose it. The documents also disclose that they knew their products were addictive. The documents disclose that they knew they were engaged in these efforts, which they absolutely denied when they were before Congress. And now they come to us and they say, well, look, if we are going to be involved in this, you have to give us special protection.

The Senator from New Hampshire sent an amendment to the desk that says we ought not to give this industry immunity, we ought not to give them special protection, and we ought to deal with this industry the way we have dealt with every other industry; we ought to address head-on the problems that they create and do it without giving them some kind of special deal. I think the overwhelming majority of Americans would say that is exactly the right thing to do. We should not be giving them special protection. They don't deserve it. They don't need it. It is not necessary in order to accomplish the result.

So at some point very soon we are going to have a chance to debate and discuss the amendment of the Senator from New Hampshire. I just want to commend him this afternoon for offering that amendment. I look forward to the debate. I want to hear on the floor of the Senate the argument advanced that this industry should be given special protection. I want to hear people in public defend the position that this

industry should be given special treatment. I want to hear on the floor of the Senate how somebody rationalizes and defends this industry. I don't think it is possible. I don't think it will stand the light of day.

Out here in the back room someplace when nobody is around and nobody is reporting, all of a sudden there is a lot of grave talk about, oh, we have to give this industry special protection. I want to hear those arguments made out here in the cold light of day. I want to see our colleagues have a chance to vote on the question of whether we are going to give special protection to this industry or not.

Madam President, I very much look forward to our debate and discussion on that question. I thank the Senator from New Hampshire for offering that amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, I certainly appreciate the support of the Senator from North Dakota on this amendment. I believe he has summarized the concern which I have as well. The fact is you can't defend immunity. It is just inconsistent with the policies of discovery to give immunity to a business which has basically targeted young people with an addictive product which was intended to kill them. The idea that we would start by giving immunity to that industry is not only ironic but totally wrong.

So I certainly appreciate the support of the Senator from North Dakota in this effort.

Madam President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ASHCROFT. Madam President, I seek the floor for purposes of speaking in regard to the budget resolution.

The PRESIDING OFFICER. The resolution is the pending business. The Senator is recognized.

Mr. ASHCROFT. Thank you very much.

Madam President, I rise today to express my opposition to the budget resolution.

More than just being an accountant's ledger, the Federal budget should embody our Nation's values. Yet, from looking through the budget, the values that are transmitted here seem to be nothing more than an inflated sense of Washington's self-arrogance. The budget represents Washington's arrogance, Washington's belief that the interests of the individual and individual taxpayers are second, if not third, fourth, or fifth, as compared to the bureaucrat and the bureaucratic appetite to consume resources at the Federal Government level.

I think it is a slap in the face of Americans who thought they sent individuals to Washington to curtail the size of Government, those who have worked to make sure that they sent individuals here to guard their freedoms. It is a challenge to them when they see the House and the Senate march steadily forward on bigger and bigger budgets consuming more and more of the resources of an average family. I believe that I was sent to Washington to cut taxes to make it possible for people to retain more of what they earn to spend on their own families rather than have Washington somehow come to the conclusion that Washington could spend the money more effectively on America's families than America's families could.

I oppose this budget based on the fact that it is designed to grow Government substantially and it is designed to take more and more of what people earn. I have prepared a series of proposals of \$1 trillion in tax cuts and debt and tax limitation measures. I would like to see us put those in our public policy. But, frankly, there is really not a chance to do that because this budget and the budget rules that are proposed are designed to block such measures, ensuring that the priorities and judgments of the Budget Committee remain inviolable. I would like to explain in detail my opposition to this budget.

First, it increases the size of the Government. The budget resolution recommends that the Federal Government spend \$9.15 trillion over the next 5 years. That represents a 17.3 percent increase over the previous 5 years. The past 5 years as compared to the next 5 years, a 17.3 percent increase. Five years from now the Federal Government would spend \$276.5 billion more than it will spend this year. That is an increase of 16.5 percent.

So this massive growth of Government I don't believe is consistent with the mandate of the American people. Even President Clinton intoned in his State of the Union Message a little over a year ago that the era of big Government was over. He could hear the footsteps of the electorate in their steady march demanding that we have smaller Government—meaning greater capacity for our families. And, yet, here we go again. We have growth that amounts in the next 5 years to 16.5 percent.

Second, I oppose the budget because it takes far more tax revenue from the American people than ever before. The budget resolution recommends that the Federal Government collect \$9.3 trillion in tax revenue over the next 5 years. That is a 27.5 percent increase over the previous 5 years. Five years from now the Federal Government would collect \$327.9 billion more than it will collect this year. That is an increase of 19.5 percent.

Now that we know what the budget resolution does, we should address the one thing that the resolution does not do. This budget resolution does not cut taxes.

As a recent report by the Senate Republican Policy Committee reads, "The fiscal year 1999 budget resolution provides for no reconciliation bill. It, therefore, contains no specific tax-cut instruction."

Year by year, the amounts by which the aggregate levels of Federal revenues should be changed are as follows: Zero, zero, zero, zero, zero, zero.

The numbers in this resolution do not reflect that the report accompanying the resolution holds out the hope that Congress might pass a \$30 billion tax cut over 5 years. \$30 billion over 5 years is a number which might be hard for folks to anticipate. But here is what it amounts to. It amounts to \$1.83 per person per month in terms of tax relief—\$1.83 per person per month. Inflation may be tame. But even the most frugal consumer would be hard pressed to stretch \$1.83 very far.

Looking at this another way, \$30 billion in tax relief out of the \$9.3 trillion in tax revenue represents a cut of three-tenths of 1 percent over 5 years. That is the equivalent of getting a 30-cent discount on a \$100 order of groceries. And if that weren't bad enough, this budget resolution would consider offsetting those cuts with tax increases.

Page 70 of the committee report accompanying the budget resolution reads:

This "reserve fund" would permit tax relief to be offset by reductions in mandatory spending or revenue increases.

This is no idle threat. The last page of the chairman's mark lists illustrative examples of taxes that could be raised, including taxes on vacation and severance pay, and adopting some of President Clinton's proposed tax increases.

I believe it is wrong for us to be considering tax increases, especially at a time when the average American is still working for the Government this year. I say "still working for the Government this year" because, according to authorities, we all work until May 9 now in order to pay for Government. It is only after we have worked all the way until the second week in May that we begin to pay ourselves instead of to pay our Government.

Compared to last year's resolution, this budget resolution recommends that the Federal Government collect \$212 billion more in tax revenue than was recommended for the same period last year.

Whose interest does this resolution serve? As I mentioned earlier, this budget has its priorities upside down. They are inverted. They are skewed. My clear understanding of Government is that it exists to serve the people. But this budget has that backwards. This has people existing to serve the interests of Government.

Let me read a disturbing line from page 52 of the committee report accompanying the budget resolution:

The tax writing committees will be required to balance the interests and desires of

many parties while protecting the interests of taxpayers generally in drafting the tax cut.

Why did the Budget Committee feel a need to include a reminder in this report to keep the interests of the taxpayers in mind? Taxpayers should have been in the forefront of our mind. It read as if the interests of the taxpayers are secondary. That said, the American taxpayers deserve more consideration than this budget allows.

Relief for taxpayers cannot come a moment too soon, and we should have a budget which reflects our ability to constrict Government and to enlarge the capacity of individuals.

Allow me to place this budget package within the context of the overtaxed worker.

For the past 5 consecutive years, the growth in personal tax payments has outstripped that of wages and salaries. This is an important point. People have had their taxes going up faster than their salaries and wages have been going up. Not since 1980-1981 have there been more than 2 consecutive years in which tax growth had exceeded wage growth. Well, not until the past 5 years.

The average American now works until May 9, as I mentioned, a full week longer than the average American worked for the Government when Bill Clinton assumed the Presidency. The average American now is working to May 9 to pay Federal, State, and local taxes. Some individuals think that includes State and local taxes. What do we have to do with that? Frankly, a significant share of what State and local governments charge in terms of taxes is being charged because we have mandated programs on the State and local governments.

I can't help but think of President Reagan's definition of a taxpayer: "Someone who works for the Federal Government but doesn't have to take a civil service exam."

Frankly, all of us have been working for the Federal Government. We will all be working for the Federal Government until May 9 this year—for the government at least.

The last year that the Federal Government collected less tax revenue than it did the year before was 1983. That was 16 fiscal years ago. If you define a "tax cut" as when the Government collects less in taxes, we have not had a true tax cut since 1983.

Because of the tax increases of 1990 and 1993, taxpayers will give the Federal Government \$600 billion more over the next 5 years than they would have otherwise.

Why are taxes so high? Taxes are high because Government is too big and because Government spends too much. Taxes are high because our budgets reflect that we believe that the bureaucracy is better at spending money on American families than American families are. I believe that is a mistaken belief.

This year the \$1.7 trillion that Washington will spend is more, in inflation-

adjusted dollars, than the Federal Government spent cumulatively from 1800 to 1940. Over the past 20 years, Congress has allowed Federal spending to increase 291.3 percent. Adjusted for inflation, that represents a real spending increase of nearly 60 percent. In the past 10 years nondefense Federal outlays adjusted for inflation have increased by one-third.

The last year that the Federal Government spent less than it did the year before was in 1965, 34 fiscal years ago.

When I entered the Senate in 1995, I hoped that the new Republican majority in Congress would pursue a general downsizing of the Federal Government, allocating to States and local governments, and, yes, to the best government of all, the family, which obviously finds the best department of social services and the best department of education, the best department of health when it spends its own resources fostering the needs, ambitions, aspirations, hopes, and achievements of the family, I had hoped that we would reduce the size of the Federal Government to make the resource allocation of this culture more effective and more efficient by placing it in the family and close to the family, where good decisions could best be made.

Despite our efforts, the Federal establishment is growing more costly and more intrusive than ever before. Federal spending has grown by \$200 billion just since 1995. Nobel laureate Milton Friedman observed, "Congress will spend whatever revenue it receives plus as much more as it collectively believes it can get away with." Another way folks say that, back in Missouri, is, "We live by the 'they send it, we spend it' motto."

Frankly, it is time to say to the American people "You earned it, we returned it." We need to give to the American people some of their money back so they can make good judgments and good decisions of how to deploy their own resources on themselves and their families and in their own communities without sending it through the shrinking process of the bureaucracy in Washington, DC.

This budget resolution assumes a cumulative surplus of \$149 billion before any tax cuts over the next 5 years. As each week passes, the call for new spending seems to grow. The Senate spent last week debating whether to pass emergency legislation that would breach the discretionary spending caps, including \$4.48 million for maple syrup producers to replace taps and tubing damaged by ice storms in the Northeast.

Before closing, let me just reiterate my opposition to the resolution for these reasons:

No. 1, the budget increases the size of Government. It is time for us to increase the size of opportunity for American families.

No. 2, the budget resolution does not instruct Congress to cut taxes. We were

sent here to limit the size of Government, to cut the burden on the American people. The American people are paying more in taxes than ever before in history. It is time—we are not at war—to understand if we are at war, that we are at war with ourselves and we should stop taking so much of the resource of American families. We should make it available to them.

No. 3, when spoken about, the so-called predicted tax relief would be a proverbial slap in the face, or at least in the wallets, of the American people: \$1.83 per person per month. You can't get a cup of gourmet coffee—I couldn't get it if I drank it—at that price.

No. 4, it would allow Congress to offset the tax cut with a tax increase rather than with spending cuts.

And, No. 5, it would have the Federal Government collect \$212 billion more than the budget resolution agreed to just last year.

The Senate should reject this budget resolution and adopt a resolution that reflects the values of those who sent us here, one that curtails spending, one that provides tax relief, and one that further limits the Federal debt. I encourage my fellow Senators to vote no on this backwards budget, this budget that really believes and sets a value on the idea that Washington knows best.

It is pretty obvious to me that you let the person spend the money who you think can make the best investment. And it is pretty clear to me that Washington thinks it can make better investments and better judgments about our family and our culture than can people in their families and businesses in their institutions. I do not believe that Washington knows best. The genius of America is not that the values of Washington would be imposed on the people; the genius of America is that the values of people would be imposed on Washington. But this budget gathers to the bosom of the bureaucracy the capacity to confiscate the resources of the people and to spend them in an arrogant sense that we know better how to spend resources on America and her families than America's families do. Nobel laureate Milton Friedman observed Congress will spend whatever revenue it receives plus as much as they can get away with, and this is one of those settings where it looks to me like we are making that kind of commitment to expenditure.

I believe Members of this body should look carefully at this budget and should understand it does not reflect the values of the American people. It fails, for instance, to obliterate or to curtail or to remove the marriage penalty. If we want a system which would reflect the values of America, understanding that this country is most likely to succeed in the next century if we have strong families, then we would endow the family with strength and the finances to do what families ought to do. Instead, this budget resolution provides the basis for continuing the marriage penalty, which is really a

way of fining people for being married and saying to individuals who are married in this culture: We will charge you \$29 billion a year. That is the freight for being married in America.

It is time for us to abandon that and say what we want in this culture is lasting, durable marriages and families that will provide the basis for a culture in the next century which will allow America to continue to prosper and to lead. We cannot do that if we have a value system reflected in a budget which attacks America's principle of strong families rather than reinforces that principle.

I urge my colleagues in the Senate to reject this budget and to call for a budget which would reduce the impact and size and onerous burden of the Federal Government and to empower the people to make decisions that will foster families and institutions at the local level with the requisite strength to preserve and protect America's greatness.

Madam 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. JEFFORDS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JEFFORDS. Madam President, I am here today to discuss aspects of the budget. Today we continue the discussion on our 1999 budget, and I am generally pleased with the work that the committee has done. I am generally optimistic about our country as we progress, but today I wish to place an emphasis on education with a special emphasis on the congressional responsibility for the education of the children of the District of Columbia, the Nation's Capital.

In 1995, when the Republicans took over the leadership role in Congress, I became chairman of the subcommittee responsible for education on the Labor and Human Resources Committee. I also, as No. 13 in seniority on the Appropriations Committee, became the subcommittee chairman on the DC Appropriations Subcommittee.

Although I left the Appropriations Committee in 1997 to go to the Finance Committee, I vowed to continue my work for the schoolchildren of the District. I did so to follow through with the work I helped start in 1996, with the writing of the new education plan for the District.

Also, when I became chairman of the Labor and Human Resources Committee, I believed I had a special obligation for education in the District of Columbia. The Constitution, through the District clause, confirmed by the Supreme Court, endows in Congress the same powers over the District of Columbia that a State has—not only powers but responsibilities. Thus, Congress is responsible under the Constitution

for the District's education. We must not forget that.

As Republicans, we believe strongly that State and local governments are the key players in establishing education policy. This conviction works beautifully for every State in the Nation except for the Nation's Capital. What an irony. We, as Republicans in leadership of this Congress, have not fully recognized that under the Constitution we must act as both the State entity for the District and the local governing entity for education.

In 1996, Congress did recognize that the District's educational system was indeed in trouble; in fact, the whole city was in deep trouble.

The control board was established to help the District's education crisis. The present DC education reform plan was written in the 1996 appropriations bill with assistance from Congressman Steve Gunderson, who had strong support from the Speaker, and also with the help of the then-Senate majority leader, Bob Dole. The implementation of this plan began in earnest under the leadership of General Becton and continues under Chief Academic Officer Arlene Ackerman. They recently gave a nationally known student achievement test to evaluate basic student performance in the District. It clearly established a severe problem. The Nation's Capital, for which we are constitutionally responsible, has the worst educational results in the country, including the worst student dropout rate of close to 40 percent.

In addition, through decades of neglect, the District of Columbia has one of the worst school infrastructure problems in the Nation. GSA found that \$2 billion of repairs and improvements are needed.

When I took the chairmanship of the DC Appropriations Subcommittee in 1995, I immediately met with the superintendent, then-Superintendent Franklin Smith, who was a member of the DC school board.

They all had great intentions and great plans. And, in fact, they had great plans and great intentions for many years, but evaluation results got worse, not better. This was true even though teachers were teaching to the same tests they had been using since 1978. They told them what the tests were going to be. It was obvious that the superintendent of the school board had no control over the system.

The control board had been established realizing the dimension of the problem. This is back in 1996. They knew that the firm leadership with appropriate authority had to be established. In my mind, the board very wisely chose two generals to answer that challenge—General Williams as financial officer and General Becton as superintendent. In my opinion, the generals, with considerable personal sacrifice, performed admirably, and ably. We are indebted.

In particular, General Becton is a unique individual. He is 70-plus, but

looks 50, and has the energy of a 40-year-old. He is personable and tough. Although not primarily an educator, his accomplishments as president of Prairie View A&M University proved his ability in this field. He got the job done. They both got the job done. The generals had to kick a lot of butts. Friends are not made that way, wounded critics are. But they got results.

Per-pupil costs are down to within the average in the Washington metropolitan region, a constant source of irritation with many Members who claim they add all this money. They do not anymore. Personnel numbers had been reduced. Many inefficient managers were replaced. The congressionally enacted school reforms are being implemented. Tough decisions, such as ending social promotion, have been made; and that is a tough one. This, of course, has created a great need for remedial help for tens of thousands of kids who must improve to warrant graduation.

A most qualified chief academic officer, soon to be superintendent, Arlene Ackerman, has been hired. The challenges before her are daunting. The dimension of the remedial help required for ending social promotion, not only in Washington but nationwide, has not yet been fully appreciated. She will need our help. She must have our help.

As mentioned above, the education infrastructure is in a shameful condition after decades of neglect, requiring \$2 billion worth of improvements. Fortunately, Parents United had been formed some time ago and has brought a lawsuit to enforce corrective action.

Unfortunately, after Generals Williams and Becton had initiated their plans for school repairs, and finally having funding available in a manner that would not have required any closing of the schools, the judge, in her frustration, ordered the schools closed anyway. This caused emergency actions in contracting to get the schools opened and raised the costs considerably. I was present with the control board education trustees the night this happened. They did what they had to do. In fairness to the judge, her frustration, expressed in her ruling, raised the public's awareness to the deplorable condition of the schools.

But where will the \$2 billion needed for repairs come from? Congress is responsible for making it available. This may require money from the budget, it may not, but it has to be found. Bonding is obvious, but how is it to be paid for?

This January, I held hearings on the DC school situation. I have attached Professor Raskin's applicable testimony that the Constitution requires us to find the funds.

At the beginning of 1997, I left the Appropriations Committee and went to the Finance Committee. I vowed to continue to fight for funds for DC. During reconciliation, I nearly got an amendment for \$1 billion passed in the committee. The Senate did provide \$50

million for the repairs of the Washington, DC, schools—a small amount, relatively, to the \$2 billion.

In conference with the House, at the House's insistence, the \$50 million was cut. But OMB Director Frank Raines agreed to work with me to find the money. He asked me to put together a working group. This has been done. To help prepare material for the working group, I held three days of hearings in January. Material from these hearings has been forwarded to the members of the working group.

I have also outlined several options for the working group's consideration. Some require no Federal funds; others are completely Federally funded. Somewhere we have to find the answer. I hope we can furnish guidance soon. I have attached materials showing the need for congressional action, as the DC financial system under present circumstances cannot provide a sufficient revenue stream to pay for bonds.

Let us end on a positive note. Progress is being made to improve the DC school system. I recently traveled to Chicago with General Becton. I also traveled to Long Beach, CA, with Arlene Ackerman. These school systems are examples of sound reform where corrective action is being taken. We learned a great deal on these trips. And work is starting here.

First, we must make sure children can read and comprehend. Programs such as Everybody Wins!, a literacy-mentoring program I am deeply involved with, have been started, helping thousands of youngsters. Hundreds of our volunteers come from the Senate, and they have been doing a wonderful job in bringing the reading situation in that school under control, but thousands more are needed to help. The flow of nonreaders to upper grades must stop. Substantial growth here is expected by next year in these programs. There are two others called the President's Program for Reading and also another one called the Everybody Reads Program started by the District.

To help the students "in the pipeline," summer schools will be held. The second thing: A group to find remedial solutions through information technology has been formed. Much needs to be done.

No. 3, legislation has been introduced, S. 1070—my bill—to form regional efforts in skill training, giving an opportunity for those young people to be able to get those \$30,000 to \$50,000 jobs, high-paying jobs, that are available and can be filled.

No. 4, I also met with the presidents of regional universities and colleges to work together with the business community to form a cohesive, seamless educational system, for which the comprehensive framework should be established by the end of May. And that is critical. We have the resources in this region, we have the people in this region, but we must work together to all do what we can for the school system.

No. 5, the critical needs for in-service training of teachers must be met. The

Department of Education and the local teacher colleges are pledged to help. I just met with some from the Department of Education. The Higher Education Act soon will be out on the Senate floor, and that will help, also across the Nation, to assist us with respect to the serious problems we have with our schools not having the professional development necessary.

Let me close by emphasizing that our problems in education will end only when the classrooms provide the appropriate education. This is a primary responsibility of the States and local school districts. Just remember, as for DC, under the Constitution, DC is our "State." And we are responsible for our local schools, those in the Nation's Capital. Right now, we have the worst schools in the Nation. They must and they should be the best.

Madam President, at this time I would like to turn to another education issue dealing with the budget also, and I just alert the Budget Committee as to what is being done.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 1882 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JEFFORDS. Finally, I will talk to another matter which will have an impact upon the budget also. Hopefully, CBO comes up with figures you like; these figures are so small in terms of what the good is we should find no cause for alarm here.

I rise to discuss an issue that is critically important to this Nation. Today there are millions of people with disabilities who want to work but just cannot. Why? Because the day they start work they lose access to affordable health insurance. These bright, intelligent, and very willing individuals are denied the right that every other citizen in this Nation has—the right to work. We have the responsibility to reverse this desperate situation and grant people with disabilities the right to become productive, taxpaying workers.

Last week, I introduced legislation with Senator KENNEDY and Senator HARKIN entitled the Work Incentives Improvement Act. This bill will reform Social Security's work incentive programs and remove employment barriers for people with a disability. This legislation was developed over many months with the help of the disability community, the Social Security Administration, the Health Care Financing Administration and other congressional offices. This bill will end the insurmountable health barriers to individuals who wish to work.

Our friends with disabilities do not need an incentive to work. They want to work. In fact, they are so desperate to obtain gainful employment that they are pushing this Congress to complete action on this legislation this year. And we must. These citizens are trapped by a system that penalizes their attempts to be productive. Social

Security's current work incentive system has had limited success. Out of 7.5 million people who are social security disability beneficiaries, less than one percent can take advantage of these work incentives and actually are employed. The benefits offered are too expensive, time limited, and offer too few health care services for the many persons with disabilities who wish to work.

For many years I have assessed why so few disabled social security beneficiaries return to work. The primary barriers relate to their inability to obtain or keep adequate and affordable health care coverage. For example, disabled social security beneficiaries who return to work are covered through Medicare, but after 39 months they must pay full fare for their health benefits—more than \$370 every month. I seriously doubt that even a well-off person can afford to pay this rate every month over the course of their working life. In fact, out of more than 3.5 million beneficiaries, only 114 have chosen to take advantage of this Medicare coverage, preferring the alternative—staying at home and receiving it for free. I don't know whether they prefer it; that is probably not right.

Another barrier to work is the inability to get coverage for certain medical services. These services are usually unavailable in the private markets. If they are available, they are unaffordable. Necessities like personal assistance services and prescription drug coverage are offered through some state Medicaid plans, but disabled social security beneficiaries who need access to these Medicaid services must impoverish themselves to get them. Many are doing just that. These disabled social security individuals who have coverage for low-income Medicaid, called "dual eligibles," are the fastest growing entitlement population in the government.

The Work Incentives Improvement Act will provide access to appropriate health insurance for those persons with disabilities who wish to return to work. Many of these beneficiaries will be eligible for affordable Medicare. Beneficiaries will have access to limited Medicaid services through State Work Options Programs. They will be able to access critical services like Personal Assistance and prescription drugs in states that chose to offer them. Such incentives will allow people to return to work, confident in the knowledge that they will both keep their health care and get coverage for other needed services.

No one in this body can disagree with the idea that work is a central part of the American dream. This budget resolution should provide funding for these and other initiatives designed to allow people with disabilities to work. Providing cost-effective assistance for people to work is both fiscally responsible and morally right. Those who work will become fully contributing members of society by paying for their own

insurance coverage, and as taxpaying citizens of our nation, paying for these government programs as a whole.

Inaction by this body will ensure that our Government continues to deny a person's dream to get back to work to help himself, to help herself, to pay taxes, to be able to participate in our society in a meaningful way. I hope the Senate will move ahead to resolve this problem and help persons with disabilities realize their dream to work.

I wish everyone had a chance to be at the press conference we held with former leader Bob Dole and Justin Dart and other leaders in this field to see the expression on their faces and the joy that came when we announced what we would do to help those who were assembled to be able to participate in the workplace. I can assure Members that this bill—we have had CBO estimates much lower than previous estimates. It is hard to conceive why it costs money because all you are doing is allowing people benefits to work and to start paying taxes and to contribute to the cost.

It is very difficult for me to see how there is any cost whatever. I yield the floor.

#### EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. COVERDELL. As everybody knows by now all too well, we have been in the midst of a filibuster going all the way back to last summer on education reform proposals. We have been battling the White House, the minority leadership and the status quo. I am pleased to announce—in fact, I am ecstatic—that the filibuster is over and that a unanimous consent has been entered into, I think a reasonable agreement, that does adhere to our view that all amendments should have been related to education and not extraneous and not broad new tax policy. We will go to our education reform on the day we return from the recess on April 20 of this year.

Now, the majority leader needs to be commended for the diligence and the attention he gave to try to end this filibuster. I also am complimentary of the minority leader and his attempt to bring this filibuster to an end. But I am especially grateful to the Members on the other side of the aisle, principally my key cosponsor, Senator TORRICELLI of New Jersey, for the attempts and effort they made—under very difficult circumstances I might add—for an extended period of time to recommend that a filibuster was not the way to handle education reform.

Because the filibuster has been ended, America's children are going to be the major beneficiaries—and their families. At the end of the day, millions of American families are going to be able to open education savings accounts to help children in public schools, private schools and home schools. Now with the suggestions from the other side of the aisle, we are going

to have an opportunity for expanded school construction and financing that aids and abets school construction across our Nation.

After all is said and done, bringing this to a favorable conclusion will lead to a very healthy and wholesome debate about reforming education and moving away from the status quo. Madam President, the winners, those who are going to gain the most from the fact that we have set this filibuster aside, are America's children. They are going to be the beneficiaries of the fact that the Senate has now, on a bipartisan basis, agreed to go to an extended and meaningful debate about reforming education in America, principally grades kindergarten through high school.

I thank all who have been involved on both sides of the aisle. I think it will prove most beneficial to America and her children.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I will take just a moment. I did want to respond ever so briefly to the remarks of Senator COVERDELL.

I did not object to the unanimous consent request by which we will consider the Coverdell proposal. Amendments have now been made in order and the proposal will be considered on the floor of the Senate in a way that limits the amendments and limits the time for each amendment.

I say the Senator from Georgia puts his own construct on exactly what has happened. There is another construct, and that is that this was not a filibuster but a lockout—circumstances where we were told that a bill was to come to the floor of the Senate, a bill dealing with tax credits for education, and the only circumstance under which it could come to the floor of the Senate is if those on the minority side would be willing to restrict their amendments both as to type of amendments and as to time.

It is a very unusual Senate procedure. It is not a procedure that has been followed by the majority side, I might say. As one Member of the Senate who will not want to see this habit-forming, I simply say to the Senator from Georgia that I am happy he will get his day on this piece of legislation. The amendments have indeed been limited. I think he would not want to be in a similar circumstance on the next issue on which someone on this side would, if in the majority, say we would like to bring our bill to the floor, and by the way, we will only do that in ways that restrict your opportunity to offer amendments, and only do that in ways that restrict the time of the amendments that you do offer.

For example, among the ideas that exist here are not just an idea to provide tax credits for people who send their children to nonpublic schools—all schools, but especially nonpublic schools; among the ideas that exist