

next 7 years, but allows Federal tax expenditures in the form of loopholes, tax preferences, and tax breaks to increase by almost 50 percent over the next 7 years.

B. The Fair Share Budget corrects this imbalance by limiting direct spending to just over 25-percent increase (cutting over \$1 trillion in spending and interest over the next 7 years), but also by slowing the growth of Federal tax breaks and tax preferences to a 35-percent increase over the same period. The alternative budget requires the cutting of just 5.7 percent of a projected \$4 trillion of tax expenditures over the 7 years, and limits the cuts only to wealthy corporations and wealthy taxpayers (couples earning over \$140,000, e.g.).

VI. IS NOT ABOUT RAISING ANYBODY'S TAXES

A. Tax preferences or tax entitlements are one of the fastest growing categories of Federal spending. The Fair Share Balanced Budget resolution does not reduce these entitlements. It only slows their growth to inflation plus 1 percent.

B. The Republicans cannot have it both ways. They cannot claim, on the one hand, that the Fair Share Budget's proposed slow-down in the growth of tax entitlements for the wealthy constitutes a tax increase, but, on the other hand, claim that their slow-down in the growth of the earned income tax credit [EITC] (which is also a tax expenditure) is not a tax increase. If they claim that the Fair Share Budget includes a tax increase on the rich and big corporations, they must also admit that the Republican budget plan includes a tax increase on lower-middle class and poor working families.

While not perfect, this Democratic alternative plan achieves the goal of a balanced Federal budget without asking America's working families, seniors and students to bear all of the burden. But the Republican budget does not ask the wealthiest corporations and the wealthiest Americans to contribute one dime to balance the budget. Moreover, in order to secure a \$170 billion reserve for tax cuts to benefit mostly wealthy people, the Republican budget trades away investments in our future—in education, infrastructure, and research and development—investments in our children.

Remember that the main reason given for eliminating the deficit is that we are doing it for our children. But, if we free our children from the burden of the Federal deficit by depriving them of the education and training that they will need to compete and succeed in the global and technologically driven economy of the next century, then we have not been responsible.

Education programs, for example, are especially important to New Mexico. My State has the third highest rate of children living in poverty of any State in the Nation. More than one in four children in New Mexico live in families with incomes below the poverty line. One-third of the students in New Mexi-

co's schools have limited proficiency in English. Its school-age population has grown tremendously, and a 12-percent increase in New Mexico's population of school-age children is projected over the next 7 years. The Republican budget will cut programs for New Mexico's schools by about 30 percent over the next seven years; that translates into tens of millions of dollars that New Mexico's schools will have to do without as they struggle with these special problems.

By cutting programs to help the children of working families go to college by nearly a third, which is being proposed by the GOP, tens of thousands of New Mexico's students could lose the opportunity to go to college. That would be devastating to their futures and to the future of our State. In New Mexico, most higher education students receive Federal financial aid, including 33,000 students who receive Pell Grants.

I do not believe that America will be well-served by the Republican budget, nor do I feel that most Americans would agree with the specific proposals contained within it. And that is why I am proud to have cosponsored the fair share balanced budget alternative and to vote for it today.

In conclusion, I want to remind the Senate that the passage of any budget resolution today is only the beginning of a long process that will determine the priorities of our Government. The budget is only a framework for the appropriations committees to work with as they spend the summer determining specific spending levels for agencies and programs.

Throughout this process, I pledge to continue to fight for proper funding for programs that will contribute to providing educational opportunities for our children, meet the health care needs of our senior citizens, and reward work and encourage innovation in the marketplace.

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

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, 2 years ago, we passed the largest tax increase in American history. This will be the second largest tax increase in American history. I do not think we ought to adopt it.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—39

Akaka	Ford	Leahy
Biden	Glenn	Levin
Bingaman	Graham	Lieberman
Boxer	Harkin	Moseley-Braun
Bradley	Heflin	Moynihan
Bryan	Hollings	Murray
Bumpers	Inouye	Nunn
Byrd	Johnston	Pell
Conrad	Kennedy	Pryor
Daschle	Kerrey	Reid
Dodd	Kerry	Robb
Dorgan	Kohl	Sarbanes
Feingold	Lautenberg	Simon

NAYS—60

Abraham	Faircloth	McCain
Ashcroft	Feinstein	McConnell
Baucus	Frist	Murkowski
Bennett	Gorton	Nickles
Bond	Gramm	Packwood
Breaux	Grams	Pressler
Brown	Grassley	Rockefeller
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Helms	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Exon	Mack	Wellstone

NOT VOTING—1

Mikulski

So the amendment (No. 1183) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to say to the Senate, I apologize for the delay I caused. I thought I voted before I left.

PROVIDING FOR AN ADJOURNMENT OF THE TWO HOUSES

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the adjournment resolution, House Concurrent Resolution 72.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Providing for an adjournment of the two Houses.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 72) was agreed to.

The concurrent resolution is as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, May 25, 1995, it stand adjourned until noon on Tuesday, June 6, 1995, or until noon on

the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, May 25, 1995, Friday, May 26, 1995, or Saturday, May 27, 1995, pursuant to a motion made by the Majority Leader or his designee, in accordance with this resolution, it stand recessed or adjourned until 10 a.m. on Monday, June 5, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 1184

(Purpose: To eliminate section 207 of the budget resolution)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, Mr. PELL, and Mr. KENNEDY, proposes an amendment numbered 1184.

The amendment is as follows:

Strike section 207 in its entirety.

Mr. SIMON. Mr. President, a little-noticed provision of the budget resolution will make it more likely that student loan cuts will come out of the pockets of students, rather than banks, bureaucrats, and other middlemen. Section 207 changes the way the loan costs are scored in the budget by requiring administrative costs—such as collection expenses—to be counted on a long-term—accrual—basis, rather than on a cash basis over the 5-year budget window. While this may sound like a reasonable change, it is accomplished in a manner that is inconsistent and biased.

Section 207 is not applied consistently to all loan programs. Instead, it targets student loans in particular. Furthermore, this type of end-run around the Budget Act is not appropriate on a budget resolution.

Section 207 is biased. There are a number of problems with the way that loans are scored in the budget. Section 207 only fixes one of them, skewing the scoring against direct student loans. This makes it more difficult to achieve savings without eliminating the in-school interest exemption or increasing fees and other student costs. A complete reform of the budget scoring rules for loan programs would consider:

Cost-of-funds. The most significant item that overstates the cost of direct lending is the discount rate that is currently used. The interest rates that

students pay vary annually, and the subsidized rates that the Federal Government promises to banks vary each quarter. A Council of Economic Advisors memorandum of April 30, 1993, points out that “a multiple year loan with an interest rate that resets each year should be treated for pricing purposes as having a maturity of one year,” meaning that a short-term rate should be used. But CBO and OMB assume that the Government’s cost-of-funds is a higher, long-term rate, the 10-year bond. This makes direct lending appear much more costly than it really is. Indeed, in a February 8, 1993, letter, GAO pointed out that using shorter term interest rates would have more than doubled the direct loan savings.

Tax-exempt bonds. Many student loan secondary markets use tax-exempt bonds, costing the Federal Treasury an estimated \$2.3 billion over 5 years. This cost is not considered when the Congressional Budget Office determines how much direct lending saves, or how much the guarantee program costs.

Taxpayer bailouts. When guaranty agencies agree to share the risk under FFEL by paying a larger portion on defaulted loans, they are using money that belongs to the Federal Government—so the Federal Government is essentially sharing with itself. Furthermore, when any agency can’t pay its share, the Federal Government steps in. These costs aren’t currently considered.

I would hope that the chairman would reconsider this provision prior to conference.

Mr. EXON. Mr. President, this amendment simply strikes section 207 in order to keep all of our options open to avoid imposing costs on college students and their families.

The amendment has no cost impact. The amendment strikes budget scoring rules in the budget resolution that single out a particular program.

This amendment will allow committees of jurisdiction to look at these issues in a comprehensive manner. First, last, and always, this amendment protects students.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I have a slightly different impression. The Simon amendment would strike language in the resolution that corrects a bias against guaranteed student loans. If adopted, the Simon amendment would favor the Clinton administration policies for direct Government student lending. The budget resolution does not do that.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—56

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Grassley	Nunn
Burns	Gregg	Packwood
Campbell	Hatch	Pressler
Chafee	Hatfield	Roth
Coats	Helms	Santorum
Cochran	Hutchison	Shelby
Cohen	Inhofe	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Snowe
D’Amato	Kempthorne	Stevens
DeWine	Kerrey	Thomas
Dole	Kyl	Thompson
Domenici	Lott	Thurmond
Exon	Lugar	Warner
Faircloth	Mack	

NAYS—43

Akaka	Feinstein	Lieberman
Baucus	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Pell
Bradley	Heflin	Pryor
Breaux	Hollings	Reid
Bryan	Inouye	Robb
Bumpers	Johnston	Rockefeller
Byrd	Kennedy	Sarbanes
Conrad	Kerry	Simon
Daschle	Kohl	Specter
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	
Feingold	Levin	

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1184) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1185

(Purpose: To reduce military spending by \$100 to reduce the deficit)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. HARKIN, proposes an amendment numbered 1185.

The amendment is as follows:

On page 5, line 17, decrease the amount by \$100.

On page 6, line 3, decrease the amount by \$100.

On page 6, line 16, decrease the amount by \$100.

On page 7, line 3, decrease the amount by \$100.

On page 7, line 15, decrease the amount by \$100.

On page 8, line 1, decrease the amount by \$100.

On page 8, line 10, decrease the amount by \$100.

On page 9, line 14, decrease the amount by \$100.