

few and far between. A hospital closing affects all rural residents in the vicinity, not just seniors on Medicare. Under the GOP plan, these Americans will be forced to drive further to the nearest hospital, putting lives at risk.

Not only do these proposals cut Medicare, but Medicaid is also being reduced over the next 7 years. For the past 30 years, the Medicaid Program has been America's health and long-term care safety net. The Republican proposal was to repeal Medicaid, slash its Federal funding over the next 7 years, and to turn remaining Federal funds over to the States in the form of a block grant. In a State like Alabama, which is habitually faced with budget proration, the effects of such additional burdens would be huge and devastating.

The bottom line is this—these Medicaid cuts are simply too much, too soon. Our State will not be able to cope without hurting people severely.

Mr. President, as I stated before, our primary objective must be to first focus on passing a budget that reduces the Federal deficit without putting Americans who rely on Medicare and Medicaid at risk, and then after 2 years, turn our attention to the issue of reducing taxes.

PASSAGE OF THE SOURCE TAX BILL

Mr. REID. Mr. President, today, I am extremely pleased to announce that the source tax bill has again passed both houses. As many of you know, this legislation was passed in the 102d and 103d Congresses, and again in the 104th Congress as an amendment to the budget bill, only to be struck because of the so called Byrd rule. I have been working on this issue virtually since I came to Congress.

There are many people who have been essential to the bill's passage, and I wish to acknowledge some of them now. This issue was brought to my attention by a Navadan named Bill Hoffman. He told me about the unjust cases of retirees being taxed by States they no longer were living in. Many of these stories were very tragic, because the retiree relied completely on their pension incomes to survive.

Bill and his wife Joanne heard so many of these tragic stories that eventually they started an organization known as Retirees to Eliminate State Income Source Tax [RESIST]. RESIST was founded in July 1988 in Carson City, NV. In less than 4 years, it had grown in membership to tens of thousands of members. It includes members of every State of the Union. RESIST is truly a nonprofit, grass roots organization, and I congratulate and thank Bill and Joanne today for their tireless efforts. Without their help the source tax bill would not have made it to this stage today.

I would also like to extend my sincere thanks to Chairman ROTH and Senator MOYNIHAN, their staff, and es-

pecially the Finance Committee staff, for all of their help getting the source tax bill out of committee and to the floor. With everything that has been going on in recent weeks, they made this bill a priority and I am very grateful for their hard work.

I also extend my thanks to Senator BRYAN and Congresswoman BARBARA VUCANOVICH and her staff. The Congresswoman has also been working on this bill for a very long time, and my colleague, Senator BRYAN, has been continually supportive and essential in the passage of this bill.

Currently, retirees may be forced to pay taxes to States where they do not reside, and from which they receive no benefits. This is truly an unfair practice, especially for those retirees with relatively low incomes. This bill prohibits States from taxing the retirement income of nonresidents. It ends taxation without representation. It will protect all income received from pension plans recognized as qualified under the Internal Revenue Code. It will also exempt income received under certain nonqualified deferred compensation plans.

Often times, the pension income retirees receive is the only income they have on which to live. I have heard many stories of the devastating effects of taxing these pensions. One story, which I have told on this floor before, is of an older woman from Fallon, NV, who had an annual income of between \$12,000 and \$13,000 a year. One day she receives a notice from California saying she owes taxes on her pension income from California, plus the penalties and interest on those taxes.

The California Franchise Board had gone back to 1978 and calculated her tax debt to be about \$6,000. That is half of her annual income. This story, as unfair and unequitable as it sounds, is unfortunately not unique. That is why this legislation is such a big victory for all retirees in this country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt is now slightly in excess of \$11 billion shy of \$5 trillion.

As of the close of business Thursday, December 21, the Federal debt—down to the penny—stood at exactly \$4,989,393,165,359.35 or \$18,939.82 on a per capita basis for every man, woman, and child.

GOVERNMENT "SHUTDOWN"

Mr. SIMPSON. Mr. President, as this unprecedented Government "shutdown" continues, I trust we will not fail to consider its impact in terms of how it affects so many individuals.

In my home State of Wyoming—a "public lands" State—the closure of national treasures such as Yellowstone National Park inflicts pain and frustration on many fronts. This closure, and the shutdown of related facilities and

activities in my State, is a "hammer blow" to the recreation industry. It is an extreme disappointment to those who have long planned outdoor recreational vacations in that pristine winter environment. It also has a devastating economic impact on businesses and individuals throughout the region.

All across America, people's lives are being harshly affected by this action and it is all too easy—in our effort to view this problem on a regional, national, or even philosophical scale—to forget the needs and desires of the many individuals who sent us here to Washington not to bicker things to death, but to try to resolve them.

Let me cite here another example of the many affects of the shutdown of key services and facilities. I am deeply honored to serve as a Regent of the Smithsonian Institution. It is shut down. People from around our Nation—and from all around the world—as a part of this holiday season, have gathered their families to visit the Anacostia Museum, the Arts and Industries Building, the Cooper-Hewitt National Design Museum in New York, the Freer Gallery of Art, the Hirshorn Museum and Sculpture Garden, the National Air and Space Museum, the National Museum of African Art, and National Museum of American Art, the National Museum of American History, the National Museum of the American Indian, the National Museum of Natural History, the National Portrait Gallery, the National Postal Museum, the National Zoological Park, the Renwick Gallery, the Arthur Sackler Gallery, the Smithsonian "Castle," the National Zoo, and a host of research facilities. But they won't. They can't. These facilities are not open to the tax-paying public. Their treasures are not to be viewed. The people who so wish to visit them over the holidays must be wondering wide-eyed, "What on earth is going on!?"

The museums of the Smithsonian report more than 25 million visitors annually. This great treasure of an institution is about to celebrate its 150th anniversary. And yet it is closed.

Last December more than 1 million people visited the Smithsonian museums and galleries.

In past years, visitorship in the last week of December has been double the week before. This year, most likely, it will not be.

The Smithsonian's retail shops and restaurants netted \$2.6 million for the Institution last December—\$440,000 in the final week alone, not counting restaurant proceeds. This is traditionally one of the most productive months for these operations of the Smithsonian. Until this year.

Another beneficiary of the Smithsonian's "draw" is the District of Columbia—itself in the midst of a major financial crisis. The Smithsonian's closure will certainly result in a parallel reduction of income for the District, as people learn there is no reason—and no way—to visit.

In the case of Yellowstone Park, our three-member Wyoming delegation is working with our fine Governor, Jim Geringer, and with the Department of Interior in a sincere effort to craft an arrangement whereby Yellowstone can be reopened. It is not yet known whether that can yet happen, but if that is the case, the impact of this regrettable "shutdown" can be, at least to that certain degree, minimized—1997 will be Yellowstone's 125th anniversary.

The Smithsonian will be celebrating a birthday too. I trust that later today we will be able to call up and pass H.R. 2627, the House passed legislation authorizing the minting of a commemorative coin celebrating the Smithsonian's 150 years of existence. This legislation is being presently held at the desk, has been "cleared" on our side of the aisle and, I believe, will soon be "cleared" on the other side.

Swift passage of this legislation will be a clear and bright signal of our concern for this wonderful institution. Sales of this commemorative coin will help to minimize the financial damage of this unfortunate shutdown to the Smithsonian.

And beyond all that, I trust that in this holiday season we might be especially mindful of our duties and responsibilities to our Nation, our States, and our dear friends, family and neighbors as we deal with the vexing issues that divide us. Perhaps those eternal concepts of integrity, common purpose, trust, fair compromise and statesmanship can again carry us through this difficulty, helping us to responsibly agree as to the path that should guide us and so many future generations of Americans.

Mr. SIMPSON. Mr. President, I rise to speak about this crucial yet potentially devastating issue of raising the debt ceiling. It's certainly obvious why raising the debt ceiling is so crucial—the Government must meet its obligations.

However, I do find this whole exercise a devastating testament to the continuing excesses of spending.

Last year, I served on the bipartisan Commission on Entitlement and Tax Reform, which was guided through the deep swamps of entitlement spending by two remarkable and courageous men—Senator BOB KERREY, who served as our able chairman, and our former colleague, Senator Jack Danforth, who served as vice chairman.

From June through December, the Commission held a series of public meetings in which we looked for any and all ways to slow down the incredible pace at which entitlement spending is growing. Along the way, the Commission approved—by a vote of 30 to 1—an interim report which spelled out some highly sobering truths about Federal spending.

Perhaps the single most important finding in the interim report was that entitlement spending and interest on the debt together accounted for almost

62 percent of all Federal expenditures in 1993. Furthermore, according to the Congressional Budget Office, this spending will consume fully 72 percent of the Federal budget by the year 2003 if the present trends continue. These are expenditures that occur automatically without Members of Congress casting so much as a single vote. This ought to serve as a "wake-up call" to all of us that we are headed on a course to disaster unless we act affirmatively to change course.

By the year 2012—less than 20 years away—entitlements and interest on the mounting debt will together consume all tax revenues collected by the Federal Government. We stand to have no money left over for national defense, education, national parks—pick your program.

Unfortunately, the Commission concluded its business in December without reaching an agreement on specific recommendations for bringing entitlement spending under control. That was most disappointing to me. I offered my own solution, as did the Co-Chairs, Senators KERREY and Danforth, but the majority of the Commission would not endorse the necessary measures.

However, 24 of the Commission's 32 members joined in writing a letter to President Clinton, emphasizing the need for "immediate action" and outlining various policy options—some of which Senator KERREY and I have introduced in a retirement reform package to shore up the Social Security Program.

Each of us has an obligation—not only to our constituents, but to ourselves and our children and grandchildren—to confront these issues head-on. Whatever outrage and hostility we may encounter from today's defenders of the "status quo"—and there will be plenty of it, a world of it—it will pale in comparison to the richly deserved scorn we will receive from future generations if we fail to have the courage to act on the impending entitlements crisis.

So as we act on the raising of the debt ceiling, let us remember what this means to our children and grandchildren who will be billed for this debt. That's why I supported the inclusion of a "generational accounting" chapter in the President's budget. We need to be reminded of what this debt means to future generations, and why defenders of the status quo who oppose our budget-balancing efforts should be called to account.

MARVIN STONE

Mr. LEAHY. Mr. President, Marvin L. Stone, the chairman and president of the International Media Fund, has issued a final report on a 5-year effort he headed to assist emerging journalists in the former Soviet Union in identifying their new role as skeptics, rather than employees, of the state.

Mr. Stone and volunteers from the U.S. newspapers and media have

taught, trained, and conducted workshops to give a boost to men and women who were struggling to nurture new independent media in the post-Communist countries of Central and Eastern Europe.

It was not an easy task. Mr. Stone reports that IMF encountered a bloated, entrenched, corrupting bureaucracy in the wake of the Communist collapse. And this bureaucracy, Stone adds, continues to fight a rear guard attempt at redemption—and a return to power.

The guiding principle brought to Central and Eastern Europe by Mr. Stone is the first amendment, a beacon that has kept America on course for more than 200 years. We can only hope that at some future date, it will be in the preamble of every constitution adopted by the countries of the old Eastern bloc.

Mr. President, I ask unanimous consent that the message from Chairman Stone be printed in the CONGRESSIONAL RECORD so that other Americans may learn of the work of this native Vermonter and the important contribution of IMF to sustain democracy in the post-cold-war world.

I have relied on his advice and his dedication to public service for a generation. All Americans owe him thanks for all he does.

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

MESSAGE FROM THE CHAIRMAN
(By Marvin L. Stone)

Five years ago a few of us started a three-year project whose goal was both simple and straightforward: to give a boost to men and women who were struggling to nurture new independent media in the post-Communist countries of Central and Eastern Europe.

It may cross the mind that we overstayed our leave by two years. The fact is that we, and others in the field, underestimated how difficult was the challenge. The Communists left behind a bloated, entrenched, corrupting bureaucracy. Even now it is obvious that these same apparatchicks are fighting a rear guard attempt at redemption—and a return to power.

So, while we are wrapping up our five years before the job is finished, we are eager to share our experiences with others who will continue what we have started. Perhaps the report on these pages will be of help.

Largely, ours is a story of going in cold to work with a skeptical bunch of journalists in countries as different as Estonia is from Albania, as Poland is from Hungary.

"Why are you here?" was always question Number One.

It soon became known that although the International Media Fund was financed largely by U.S. government dollars, it had a fiercely independent Board of Directors and an army of volunteer American editors, publishers, broadcasters and academics willing to join in our effort. From the start is was understood that the U.S. government would not interfere with policy decisions of the Board.

Surveys by our own staff soon indicated what we had already sensed: that it was not going to be possible to try to build the new media from the top down. The ideological roots of anyone over 40 were too deeply implanted. So we decided to build from the bottom up. Training was aimed at younger newcomers starting to work in the field. We invited local universities to let us help train