cannot walk away from an 85-year-old woman with osteoporosis and cancer. Mr. President, we do not believe in simply abandoning people. Any Medicaid Program that comes out of these negotiations that we negotiate or vote for should not do that either.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

(Mr. STEVENS assumed the Chair.)

## CHANGING THE SYSTEM

Mr. BOND. Mr. President, I wish to say that I think we have had some very useful discussions today, although obviously the substantive discussions and negotiations are, we hope, going on elsewhere. But I wish to begin by reemphasizing what my distinguished colleague from Ohio has just said in the past few minutes about the importance of changing the system.

I had the privilege of serving as chief executive of the State of Missouri for 8 years, and I was convinced, as were almost all of my other colleagues who were Governors at the time, Republicans and Democrats, that we could do a far better job in handling many of the programs partially funded by the Federal Government if we did not have all of the strings and restrictions and red tape put upon us. That is why we have moved in this session of Congress to change the programs themselves, to make them more effective and efficient, not just to save money. Obviously, we cannot continue to spend, particularly on entitlement programs like Medicare and Medicaid, at the ever-increasing rates of growth, without destroying these very programs, bankrupting the Government, and destroying our economy. But it is not enough, as has been pointed out by my colleague from Ohio, merely to cut the amount of money that we are turning over to the States. If we tell them, ''You have to keep spending the money the way we tell you but we are not going to give you as much as you have been getting, or not as much as an increase as you have been getting,'' then we risk disaster. We need fundamental changes—allowing the States to develop responsive and responsible, effective and caring programs to meet the needs of those who are recipients of the programs, within these budgetary constraints.

Mr. President, in my second term as Governor, we fought and fought and fought to get waivers from the Department of Health and Human Services, now HCFA, so we could start a managed-care program for Medicaid, so we could give the providers selected by the Medicaid recipient the opportunity to do the best job they could of keeping that recipient healthy.

It made a tremendous amount of difference. More emphasis was placed on keeping people healthy, on preventive health care, on regular checkups, on routine well-baby care that kept the recipients well, kept them out of the hospital, kept them from lost time. The result was that we saved some money but people on Medicaid in my State were a lot happier, and healthier, with the program. And those examples, those experiments are being carried out in every State in the Nation. If we only could change the program so that State legislators and Governors who are just as concerned as the Members of this body about taking care of those in need could make those innovations, I am convinced we can do it.

Now, we have had, as I have said, much discussion about differences in policy, differences in policy that lie at the base of this balanced budget debate, but part of the problem is, I think, some of the facts are being misstated. We have heard earlier today about how Federal employees are being held hostage; that it is an unheard of shutdown of the Federal Government.

It seems to me, Mr. President, in the time I have been here when there was a Democratically controlled Congress and a Republican President, there were shutdowns in the Federal Government when Congress and the President did not agree. To say that it is unheard of is not true. I believe even during the period of the Carter administration, when there was a Democratic President and a Democratic Congress, there were a number of periods of time when there was no budget or continuing resolution in place. As a matter of fact, some of my colleagues, on a bipartisan basis, today were talking about how the Democratic majority in Congress in 1990 toughened up the Anti-Deficiency Act to make it more painful, more painful for the executive branch to try to continue to operate in the absence of a continuing resolution, and, yes, it appears that some of those chickens have come home to roost now.

But let us make clear one thing. Part of this responsibility, the responsibility that some of the agencies of Government are shut down, is on the back of the President. I can speak from personal experience, having managed the bill that funds veterans, housing, environment, space, emergency management, and other areas—the VA–HUD and independent agencies appropriations bill. We passed the bill. We passed the bill that made over 12 percent cuts from last year's original appropriations.

Now, during the summer of last year, in a rescission bill, the Congress, with the President's signature, rescinded some of those funds from the previous year because that bill, VA–HUD, was making too many promises that could not be kept in out-years. When you make a promise in housing, for example, to provide housing over a number of years, you have to appropriate the budget authority up front, but then each year as you carry out that commitment, the expenditure of that authority—the outlays—are scored against the aggregate budgetary limitations for that year.

So we have had to cut back significantly, and the President agreed when he signed the rescission bill that we would cut back on the commitments in VA–HUD. So it was with surprise that when we tried to negotiate with the White House to find out how we could change the fiscal year 1996 appropriations bill to accommodate their needs and their desires, the only thing we got from Mr. Panetta, who was up here on the Hill, was a statement that, well, we just need to spend $2 billion more, just give us $2 billion more.

I explained to him, as every Member of this body who is familiar with the appropriations process knows, we cannot give $2 billion more. We have to stay within the budget. But I suggested that if they were willing to work with us, we could make adjustments within the dollars available and send the President the bill, he could sign that bill, and then to the extent he is able to reach a later agreement which might put more money into the various appropriated accounts, we could come back by a supplemental appropriation or a continuing resolution to add money to the Veterans' Administration, Housing and Urban Development, Environmental Protection Agency, National Aeronautics and Space Administration, the National Science Foundation, and all of those agencies.

What happened? Well, frankly, the President vetoed the bill. The President vetoed the bill because we did not spend as much money as he wanted. That is understandable. Everybody who likes government likes to spend more money. But if you don't want to cut spending in domestic appropriated accounts, you have to find someplace else to take it. You could, for example, cut back on the money going into entitlement programs like Medicare and Medicaid. Actually, we have a very good example of that. The President and Mrs. Clinton back in 1993 and 1994, as my colleagues will recall, came before the Congress—you probably have seen film clips of them recently—and said we really must slow the rate of growth of Medicare to 6 to 7 percent a year.

Mr. President, they were correct because as the Clinton trustees of Medicare and Social Security have said, if we do not reform part A of Medicare, it is going to go broke, it is going to run out of money in the year 2002.

The President was right when he said we have to slow the rate of growth. But not only do we have to slow the rate of growth, just as my friend from Ohio said, we have to change the structure of Medicare; we have to change the structure of Medicare because a top-down Government price-fixing program in health care has not worked.

It is important that we give senior citizens choices, choices so they can choose from among private plans which will have to manage the costs effectively and give the recipients, the Medicare recipients, the kinds of services they need if they are to compete.

The President and Mrs. Clinton were very clear when they came before the Congress and said it is not a cut when you say we are going to slow the rate of growth to a reasonable amount of 6 to 7 percent. How interesting it is to hear now representatives of the President, the ads run by their supporters, saying Medicare is going to be slashed because the Republican Congress proposes to let it grow by 7.2 or even 7.4 percent.

Mr. President, we have to save Medicare. If you are talking about just cutting a little bit of money out of Medicare, you are not going to really save it; you are just going to squeeze it down and make it more difficult for Medicare recipients to get doctors and hospitals and other health care providers to give them the kind of services they need. You need to change the program and you need to slow the rate of growth in the program. You tell me how much you want to slow the rate of growth of the Medicare Program, and we can probably tell you how long past 2002 you will keep the program healthy, how long before it will go bankrupt.

Mr. President, I ask unanimous consent that I may be granted another 5 minutes.

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

Mr. BOND. I thank the Chair.

Mr. President, as I was saying, how long do you want to keep Medicare healthy? Personally, I would like to see Medicare kept healthy, not only for those who are on Medicare right now, but those who will be coming on, people my age and people younger.

We are going to have to make changes to slow the rate of growth. One proposal to save $70 to $80 billion was estimated only to save it for maybe 2 more years. I do not think, Mr. President, we ought to go through all this battle and all this heartache and say that Medicare will not go bankrupt in 2002, it will go bankrupt in 2005. We can do better than that. We have to implement real reforms which will assure the financial solvency of this critical program well into the foreseeable future.

I hope we would stop the posturing and stop the ads and stop the claims that Medicare is being savaged. It begins to appear to me, Mr. President, that there is something else at work here. The President of the United States told the American people in the campaign and told us in the State of the Union Message in 1993 he wanted a balanced budget. Then just a month and a half or so ago, before Congress sent him a continuing resolution, he agreed that he would sit down and develop with the Congress a balanced budget reaching balance in the year 2002 on the basis of Congressional Budget Office scoring.

If he is willing to do that, and if he is willing to take a hard look and a responsible look at how we keep entitlement programs from going bankrupt, and how we keep it from destroying us, then there is plenty of room to negotiate as far as I am concerned. If I were a negotiator, I would say, we put it all on the table. I would not put more taxes on the table because we tried the taxes and that did not work. Jacking up taxes in 1993 got only about a third of what we expected out of it.

It is time that we cut. If the President would come forward and deal in good faith, we could reach that agreement in a very short time. But what I am hearing from the press, some of my colleagues who have friends in the White House, the political advisers are saying, ''Great, don't move. Don't move, Mr. President. You've got it just where you want it. You have talked about a balanced budget, but then you can come out and be against all the cuts. You don't have to agree to any of the cuts, just say you're for a balanced budget and then trash anybody who tries to put the details of a balanced budget together. And so long as you don't have to present one, then you're not going to be caught.''

As one of my friends, a Member of this body on the other side of the aisle, has said—and obviously I will not identify him—he said it makes for great campaign rhetoric. It is great political fanfare, but it is a darn poor way to govern.

Mr. President, I suggest that if the President wants to have a balanced budget, if he wants to carry through on his promise, then it is time, as we say in Missouri, to show me, come forward and say where you are going to make these necessary cuts. The White House is not doing that.

I mentioned earlier that with respect to the small little appropriations bill I handled, veterans, HUD, independent agencies, they originally requested $2 billion, about $1.9 billion-plus. We have just received their latest request. Guess what? That latest request goes up to $2.5 billion. This is not negotiation. This is moving in the opposite direction.

Mr. President, if anybody is negotiating with somebody who keeps taking steps farther and farther away from agreement, you will find out that is not negotiation, that is political game playing. Unfortunately, until we see any movement in the other direction, I have to say that this President apparently does not want a balanced budget.

Dismiss all the rhetoric. His requests are for more spending in domestic areas. His requests are for less cuts in entitlement programs. Frankly, every time that the Congressional Budget Office has scored his proposal—and the Congressional Budget Office is the one who he said must judge those proposals—it shows that he misses in the neighborhood of two to three hundred billions of dollars.

Mr. President, there is some talk about adding a few billion dollars more to domestic discretionary. Unfortunately, under the congressional budget resolution that will achieve a balanced budget by the year 2002, have to cut nondefense discretionary from $270 billion in 1996 to $258 billion in 1997. That is a 4.4-percent decrease—a $12 billion expenditure reduction. If you are going to be putting more money in this year, you are going to make it a bigger cliff to fall off of next year.

I would caution our negotiators not to go down that path of building in more spending now when we are going to have to have greater cuts next year and more program disruption.

We could come to an agreement. I think there are lots of areas where we could agree. I will tell you that I am beginning to think that the only place that we can make an agreement is working with our colleagues in Congress. I have had the pleasure of working with the Senator from Maryland, Senator MIKULSKI. We have some policy differences, but those policy differences can be accommodated.

I know that there are groups working together on a bipartisan basis, Senators BREAUX and CHAFEE and others, Senator NUNN and many others, who are working to come up with a balanced budget, because I believe there are people in this body on both sides of the aisle who believe it is in the best interest of this country to get the Government back to work, to get the employees of the Federal Government doing what they are supposed to do, and put forward a responsible bipartisan plan to move this country toward a balanced budget in the year 2002.

The Kerrey-Danforth commission, headed by Senator KERREY from Nebraska and my former colleague, Senator Danforth from Missouri, pointed out how difficult the entitlement problems are. Unless we start dealing with those entitlement problems, we are not going to reach that result.

So, Mr. President, it has been with only a slight degree of hope and a great deal of concern that I have watched the proceedings today. We have to find some areas of compromise. Unless we see the President willing to come forward and tell us where cuts are going to be made—real cuts; not phony cuts, real cuts—then we are going to have to work within this body, and I hope we can find bipartisan cooperation in the House, to come to agreements on how to get spending under control, how to provide the vital services that are necessary, that must be provided, but to do so in a responsible way that does not cost our children and our grandchildren another $1 or $2 trillion worth of debt.

Mr. President, this is a vitally important issue. The issue of the budget is going to define not only what our children face in the future, but our economy in the short term. I look forward

to working with Members of this body and ultimately Members of the other House in seeing if we cannot fashion what the President has been unwilling to come forth and produce, and that is a balanced budget.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## REMOVAL OF INJUNCTION OF SECRECY—TAX PROTOCOL WITH THE KINGDOM OF THE NETHERLANDS (TREATY DOC. NO. 104–23)

Mr. COCHRAN. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Protocol for the Kingdom of the Netherlands (Treaty Document No. 104–23), transmitted to the Senate by the President on January 3, 1996; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

*To the Senate of the United States:*

I transmit herewith for Senate advice and consent to ratification, the Protocol between the Government of the United States of America and the Government of the Kingdom of the Netherlands in Respect of the Netherlands Antilles Amending Article VIII of the 1948 Convention with Respect to Taxes on Income and Certain Other Taxes as Applicable to the Netherlands Antilles, signed at Washington on October 10, 1995. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Protocol.

The Protocol amends Article VIII (1) of the Convention to limit the exemption from U.S. taxation of interest on debt instruments to interest paid on instruments issued on or before October 15, 1984, by a U.S. person to a related controlled foreign corporation that was in existence before October 15, 1984.

I recommend that the Senate give early and favorable consideration to the Protocol, and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

## COMMENDING J. KEITH KENNEDY

Mr. COCHRAN. Mr. President, I send a resolution to the desk commending J. Keith Kennedy for his service as Republican staff director of the Appropriations Committee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 208) commending J. Keith Kennedy.

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

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

Mr. DOLE. Mr. President, this resolution commends J. Keith Kennedy, who has served as the Republican staff director for the Appropriations Committee for 15 years, having assumed that position 15 years ago today.

Keith is a very valuable member of the Senate staff, upon whom we have all relied at one time or another.

I know my colleagues join Senator HATFIELD and BYRD in wishing Keith continued success in his position—we will continue to rely on his sound counsel.

Mr. HATFIELD. Mr. President, I rise to congratulate and to convey my appreciation to a member of my staff, J. Keith Kennedy. Today marks the 15-year anniversary of Keith's service as the Republican staff director of the Senate Appropriations Committee, serving either in the majority or in the minority as fortune permitted. Mr. Kennedy has steered the staff with a firm, but gentle hand at the helm, through the often choppy waters of legislative process. Such continuity has provided the Senate with the type of institutional memory that keeps us from remaking some of the mistakes of the past. In this capacity, Mr. Kennedy has worked to uphold the position of the Senate in negotiations with three administrations—those of Presidents Ronald Reagan, George Bush, and Bill Clinton, five OMB directors—David Stockman, James Miller, Richard Darman, Leon Panetta, and Alice Rivlin, and a House of Representatives under both Democratic and Republican majorities. During that time, he helped implement the Reagan revolution of the early 1980's when many of us were still trying to get our sea legs in a Senate with a new Republican majority. In the 1990's, he has played a key role in charting a course out of fiscal excesses of earlier years.

Keith has served the Senate with distinction and honor for over 23 years. I have come to rely on him as a trusted adviser, policy expert, and friend.

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

The resolution (S. Res. 208) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 208

Whereas J. Keith Kennedy has served as majority or minority Chief Clerk and Staff Director of the Committee on Appropriations since January 3, 1981;

Whereas he has ably served the Senate in various other roles since September of 1972;

Whereas he has served as clerk of the Legislative Branch Appropriations Subcommittee, in which capacity he has endeavored to provide for the welfare and benefit of the entire U.S. Senate and its employees;

Whereas he has overseen the modernization and streamlining of the day-to-day operations of the Senate Appropriations Committee;

Whereas he has ably represented the interests of the Appropriations Committee and the Senate in all budget negotiations since 1981;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection and esteem of the United States Senate: Now, therefore, be it

*Resolved,* That on this fifteenth anniversary of his tenure, the Senate express its commendation, appreciation and gratitude to J. Keith Kennedy for his continuing service and for jobs well done.

## CONGRATULATING BRETT FAVRE FOR WINNING THE 1995 NATIONAL FOOTBALL LEAGUE MOST VALUABLE PLAYER AWARD

Mr. COCHRAN. Mr. President, I now ask unanimous consent that the Senate turn to consideration of Senate Resolution 207, a resolution submitted earlier today by myself and Senator LOTT.

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

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 207) to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award.

Whereas Brett Favre, a native of Kiln, Mississippi, is a professional football player with the Green Bay Packers;

Whereas Brett Favre has demonstrated extraordinary skills as an athlete and has proven himself a leader and top performer in the National Football League;

Whereas Brett Favre has been named the Most Valuable Player of the National Football League for 1995: Therefore, be it

*Resolved,* That the Senate of the United States congratulates Brett Favre for the outstanding season he has had as quarterback of the Green Bay Packers and for being named the Most Valuable Player of the National Football League for 1995.

Mr. COCHRAN. Mr. President, it is with much pride that I submit a resolution congratulating Brett Favre for his outstanding accomplishment in being named the Most Valuable Player of the National Football League for 1995. Brett is a native of my State of Mississippi.

He grew up in the Kiln community near the Mississippi Gulf Coast and starred as a student and athlete at Hancock Central High School. He first received national attention as quarterback for the University of Southern Mississippi, where he led his team to victories over such nationally ranked powers as Florida State University, University of Alabama, and Auburn University.