

heads of game, and starts to tear. He says if this is civilization, let me stay an animal, we hunt for food, you hunt for game. . . . Unfortunately, the behavior of you leaders isolated out the Federal Employees (and select groups of them), making us the game. It really hurts to part of them right now. I guess I believed in the UNITED STATES of America. Unite now, work diligently to restore our confidence for this country.

Yours Truly,

MARLENE SIEMEK.

MIKE HOLY, R.N., M.S.,
Baltimore, MD, January 3, 1996.

Hon. BARBARA MIKULSKI,
Senate Office Building,
Washington, DC.

DEAR SENATOR MIKULSKI: I am a registered nurse, employed at the Baltimore V.A., once furloughed back in November, and now, since December 15th, presently working without pay. I have repeatedly over the past few weeks heard derogatory and mean-spirited comments directed at the federal workforce from a variety of sources. The latest, and what I would consider one of the most reprehensible, came this past Sunday, when on Meet the Press Phil Gramm asked, "Has anyone really missed the federal workers?"

Perhaps, Ms. Mikulski, Mr. Gramm has not "missed" the workforce because, dedicated to the mission, and despite the lack of pay, they continue to come to work, continue the mission, and in the case of the staff at Baltimore's V.A., continue to minister to the needs of our country's veterans! I would challenge Mr. Gramm, or any of the other detractors of the federal workers, to produce comparable examples of such dedication in the private sector.

I would like to share with you, in the hopes that you may share with others, one additional example of the dedication to the community which is evidenced here at the Baltimore V.A. Just five days before Xmas a thirty year old mother of five lost her life in a tragic vehicular/pedestrian accident. Hearing of the news, and the five orphaned children, and aware of what the pay situation would be regarding their own forthcoming paychecks, in a period of just two and a half days V.A. employees contributed and raised one-thousand-fourteen dollars (and thirty-five cents) for the family. The money was hand delivered to a local radio station, to be given to the family, that Friday afternoon, three days before Xmas. Such, Ms. Mikulski, is the "stuff" of which the Baltimore V.A. employees are made!

I share with you the above, again, in the hopes that you may share it with others who may be unaware of the caliber of the people involved. In spite of the politics within the Washington Beltway, at the Baltimore V.A., the mission continues—"Putting the Veteran First!"

Thank you for your continued efforts and advocacy on our behalf!

Sincerely,

MIKE HOLY, R.N., M.S.

Ms. MIKULSKI. The Senator from Virginia also talked about phone calls. I have hundreds and hundreds and hundreds of phone calls coming into my office. We have even had to bring in, in some very emotional and highly charged situations, a suicide intervention team because of the desperation that we are facing.

Not everybody is a high-paid Federal employee. One of my constituents, one of the nurses, got a paycheck yesterday for 7 cents—7 cents—after all the deductions were taken out. Another can-

not pay her car insurance, and she is not getting paid, and she needs to drive her car to work. I have another Federal employee who is deaf, cannot pay her rent, and they are not accepting the fact that she is furloughed.

These are real stories about real people. And why are they not getting paid? They are not getting paid because some refuse to pass a continuing resolution until we pass a balanced budget. Sure, we want to pass a balanced budget, but we also need not destroy civil service. And while the civil servants are on the job, the Federal contractors are also losing their wages.

Who are they? They are people like the cafeteria workers at NASA who work at the minimum wage. They work for a contractor. They are never going to get caught up. They are the small businesspeople who, again, are Federal contractors and are not being paid. There are people like the small business lady who has a small photography shop outside of the Baltimore passport office. Because there are no passports, nothing is happening. She still has to pay her rent. She has lost 75 percent of her business.

Mr. President, this cannot go on. This is why I am pleased that the Republican leader passed a no-frills, get-back-to-work continuing resolution.

Today I hope that the House of Representatives passes this bill. I am appalled that the House of Representatives is stalling and is hinting that they will not pass this. We must end this financial nightmare for nearly a million Federal employees and contractors. They want to be back to work. For those who are working, they want to be paid. Let them have the pay that they have earned.

If this does not work, I will come back and offer a CR myself. We need to stop playing games with people's lives and get down to business. It is time to stop holding Federal employees hostage.

Mr. President, in conclusion, I have a great deal of respect for the Senate, and I do not want to engage in any histrionics on the floor. But yesterday the Social Security workers, those who want to answer those hotlines, those that want to deal with the million-person backlog, gave me a lock. They gave me a lock, and they gave me some chains. What did they do as a symbolic thing? They wanted to lock us in and chain the door until we get the Government back to work. They want us to go back to work, balancing the budget of the United States.

So, Mr. President, I hope today that the House of Representatives passes this continuing resolution and that the leadership can come to a resolution on this budget crisis. I thank the Chair, and I yield back such time as I might have.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

THE BUDGET AND ENTITLEMENT SPENDING

Mr. GREGG. Mr. President, I rise to address what I think is a farce. Obviously, we are hearing about what are some very significant individual concerns and legitimate individual concerns about Federal employees who are being put through significant stress as a result of their inability to be paid, which I would note in many instances, such as the FBI and the DEA, result from the fact that the President vetoed appropriations bills which would have funded those agencies.

But independent of that really personal and traumatic event which is occurring for many Federal employees, there is a much more significant event occurring here which is the question of how, after 26 years, we begin to put fiscal discipline into the Federal Government. And that has a lot of stories, too, a lot of personal stories.

In fact, in our Nation today where there are approximately, I guess, 50 to 70 million children, depending on how you define a child, every one of those children are a personal story of the fact that we have not balanced our budget. A child born today will have to pay almost \$170,000 just in interest during their working lives in order to pay out debts which our generation has put on their backs. That is a pretty big bill.

Just 2 weeks out of work is a big deal, too. Nobody wants to put people through that burden. But what we are doing to our children as a nation is even more significant. So what is really the core issue of this debate is how we straighten out our fiscal house so that we do not end up passing on to the next generation of Americans a country without an opportunity for prosperity, and that comes down to being responsible in the managing of our Government.

I want to talk a little bit today about what I would perceive as being a responsible solution to this balanced budget event, because we are hearing a lot of discussion and a lot of debate about how this should occur or how that should occur. But let me just note there are a few benchmarks upon which we can evaluate whether or not there has been success in getting under control the Federal spending, the rate of growth of Federal Government and, therefore, the opportunity to bring under control the Federal debt burden that we are passing on to our children.

The real benchmark of this exercise is not quite honestly whether we meet a technical balanced budget in the year 2002, although that is absolutely critical that we do that, because such a balanced budget can be reached, unfortunately, through the adjusting and tinkering with assumptions. For example, if you change what the estimated inflation rate is over the next 7 years by just a percent or you change the estimated rate of revenues by the Federal Government by just a percent, you adjust by hundreds of billions of dollars

the amount of money flowing into or out of the Federal Government. As a result, you can reach balance.

Of course, assumptions have been part of the debate. That is why we have insisted there be a core score of assumptions called the Congressional Budget Office. But that really is not the essence of how you resolve the issue, because the essence of how you resolve the issue is what structural changes, what changes have you made in the way this Government functions that will guarantee or at least give us significant hope that we will be able to bring under control the expenditures of Government or the rate of growth of the expenditures of Government in a manner which will allow us to be able to afford the size of the Federal Government over the next 7, 10, 15 years.

If you are going to address that issue, it is not so much reaching a balanced budget, it is the programs that drive Federal spending. So as we evaluate the process of reaching a balanced budget and what is occurring at the White House, I suggest we look at a few issues because those are the issues that are going to really determine whether or not we are successful.

It is not so much whether the numbers that are put on the table after this meeting at the White House, which hopefully will be successful, is arrived at that say, yes, there is a balance by the year 2002; it is not so much those numbers that are important, it is the programmatic activity that underlies that.

In this area, the core issue is the issue of entitlement spending. Entitlement spending are those programs which people have a right to have the Federal Government spend money on them because of their physical situation, their financial situation, because of their situation in their lifestyle. Those entitlement programs are the core problem that is driving the Federal debt.

In fact, in the year 2015, all the revenues of the Federal Government will be absorbed by the entitlement programs. We will not have any money to spend on national defense or cleaning up the environment or having better schools. We will be spending everything just on entitlement programs.

So the issue of whether or not we are going to bring under control Federal spending and whether or not we are going to be able to pass to our children and this country a fiscally solvent one versus one that is bankrupt, and whether our children will have an opportunity for prosperity really comes down to how we address these entitlement programs during this process.

In doing that, I think we can score the activities by looking at a few specifics. If the proposal that comes out of the agreements or the discussions which are now going on with the White House—assuming there is a proposal; and I certainly hope there will be—but if such a proposal does not aggressively and affirmatively address those enti-

tlement programs, then it will be essentially a facade, and we will have accomplished little. The pain that these Federal employees are going through subject to the continuing resolution failure will be for naught, and how can we know whether or not there has been substantive change or substantive action taken on the entitlement programs.

Let me lay down a few benchmarks that I think we should look at. There are three basic programs that we are talking about here: Medicare, Medicaid, and welfare reform.

In the Medicare accounts, clearly there has to be a new way to deliver services. There has to be more opportunity for competition. Our senior citizens have to be given more choices, more opportunity to go out in the marketplace, like their kids today, and be able to purchase services other than just what is known as fee for service. Thus, any reform that comes out of this process must involve the use and the utilization of marketplace forces in a very aggressive way. It must allow seniors to do as their children are doing today, which is to opt into other types of health care delivery, whether it happens to be an HMO, a PPO, or a group of doctors, or a PSO, which is another form of doctors and hospitals practicing together. Those various options must be made available to our seniors. And I hope that in any resolution of this matter—it must have that type of a choice program in it, a real choice program, and it cannot be just what we presently have in our Medicare system, which is basically an illusory choice program.

You can also look at the Medicare reform effort and determine whether or not it is real by what the rate of the premium payment is. If we go back to a 25-percent rate of premium as being the part B premium borne by senior citizens, then we will know that basically there has been a sellout, that nothing has really happened.

The fact is that 31.5 percent is what is needed as the part of the part B premium to be paid by seniors if we are going to have a solvent trust fund. Seniors cannot expect that the Medicare trust fund will remain solvent if they are going to ask their children to basically subsidize, at an ever-growing rate, the cost of the part B premium.

The seniors cannot expect the Medicare system to remain solvent. Seniors have to be willing to pay their fair share. By paying their fair share and maintaining the premium at 31.5 percent is clearly a core test issue.

Another test is whether or not there are copayments, especially whether or not we have a situation where, on the part B premium, people with high incomes are required to pay the full cost of the premium. Today, we have the top 500 of retirees from IBM last year being subsidized by the folks who are working at the restaurant, down at Joe and Mary's Diner or at the local gas station, and it is not right, it is not

fair. They are being subsidized to the extent of almost 68.5 percent, the cost of their part B premium, and that is not correct.

So any reform that comes out of this agreement has to have some sort of understanding that high-income individuals will bear the full cost of their part B premium.

In the Medicaid accounts, it is very obvious that Medicaid has not worked the way it was supposed to. Nor has welfare. If we are going to make them work effectively, we have to give the States the flexibility to run the programs and to initiate original and imaginative approaches to running the programs. We have to end this huge drainoff of funds which is going into bureaucracy instead of going into care in the area of Medicaid and going into direct support in the area of welfare.

Today, I think it is less than 40 cents of every welfare dollar actually gets to the recipient. The rest goes to overhead. In most States, the administrative costs represent about 15 percent of what the operating costs are of a program. So the difference between those two numbers is what States feel they can have available to address the needs of people versus ending up funding bureaucracies.

So any program that is going to effectively address the outyear drivers of our budget problems, specifically the entitlement programs, must address the fact that Medicaid and welfare must be decoupled from the entitlement train and be returned to the States to be operated as States' programs with the flexibility being given to the State governments where there is as much compassion as in Washington to deliver these services to the less needy and to the more needy individuals.

So these are some of the tests of whether or not we will reach an agreement which is real versus one that is illusory, and in looking at any balanced budget agreement, it is essential that we look at those tests because it is essential that we have an agreement that is real.

I thank the Chair for his courtesy and yield back my remaining time.

Mr. GLENN addressed the Chair.
The PRESIDING OFFICER (Mr. THOMAS). The Senator from Ohio.

HOSTAGE TAKING IS NOT PRETTY

Mr. GLENN. Mr. President, let me join with those who complimented Senator DOLE for taking the leadership yesterday in sending a clean continuing resolution to provide Government funding over to the House. I not only want to compliment Senator DOLE, I also want to compliment all the Republicans on their side of the aisle in the Senate because Senator DOLE made that proposal, knowing full well that he had unanimous consent, or he would not have made it. So I want to not only congratulate him but also the Republicans on the other side who I feel are