

I point this out, Madam President, because I believe we have seen that kind of escalation across the board and we have seen that kind of escalation going on outside of our view. We just are not a part of it. We are not sensitive to what those costs are until it hits us as an uninsured person or it hits us as a young couple trying to figure out whether or not they can, in fact, afford to even have a baby.

We have seen technological changes. We have seen changes in practices. All of us have seen it. We have seen, I think, substantial improvement in the quality of our care.

Madam President, one of the truths is, again, we have to say to the American people that one of the reasons our costs have gone up is we have been protected from it.

All the politicians—and I have done a little of it myself—come and say, "Gee, the problem is our hospitals are ripping you off, the problem is doctors are ripping you off, insurance companies are ripping you off." The truth of the matter is, we have a lot of waste, fraud, and abuse in our system.

One of the biggest reasons we see costs going up is it does not matter. I would not want to take a test right now, or have 535 Members of Congress take a test and ask: What is your deductible and copayment? What does the Federal Employee Health Benefit Program provide you as an individual?

I suspect you would be lucky to get 20 percent of the 535 people up here on the Hill that would be able to tell you. I certainly would not be in that 20 percent. Because the fact of the matter is, it does not matter. Somebody else is picking up the tab. Why should I worry about it?

We need a mechanism that brings us face to face with the truth. And this unitarian Federal trust fund that I am going to try to get a part of the reconciliation does that. It says that, first of all, we will account for every single expenditure in a single fund. That is No. 1.

No. 2, we will declare as citizens of this great Nation—it is still a high honor to be a citizen of this country—we will say we have a responsibility to pay the bills. A fairly simple thing, it seems to me. We are going to say, if we ask our politicians for 284 or 300 billion dollars' worth of spending, we will pay the bills and we will designate whatever taxes we decide to use to make sure that, in fact, the money is contributed for the bills.

That designation in the tax revenue forces us, No. 3, to have the kind of discipline that is needed. Frankly, what we find is that the projected growth of health care expenditures are going up so rapidly that right now we are relieved of the requirement to make difficult decisions.

I have, in my own proposal, said, OK, let us take the 3-percent payroll tax, the Federal health insurance premium we are currently paying, let us get the alcohol taxes, the cigarette taxes, des-

ignate 27 percent of the income taxes, corporate taxes—none of these are new taxes; that is the current taxes in the current system.

You designate those taxes and you match them up against where we are spending.

Well, this chart here shows where all Federal spending on health care is projected to go. In 1993, 1994, 1995, 1996, 1997, 1998, not very far into the future, we are going from about \$280 billion to nearly \$500 billion in a 5-year period of time, with no restraint, no requirement for fiscal discipline. The trust fund provides us with that constraint.

This is the shortfall. This is where the deficit reduction begins to occur, because we are required to fully fund. Unless we have a trust fund, this is the kind of gap that we have between the revenue that would be generated if we designated existing taxes. That is the kind of gap that is going to occur, because health care is growing more rapidly than our income. Everybody knows that.

One of the things that happened in the 1990's, as health care costs went up, disposable income has gotten squeezed. In fact, jobs have been destroyed; not just salaries have gone down, but jobs have been destroyed as well.

There are three things that occur with this kind of trust fund. First, as I said, we present an honest bill to the American people. Second, we get into an honest debate about which taxes we ought to use.

I am an advocate, myself, of using a progressive consumption tax to replace the income tax as a powerful second part of a new American safety net. I think Americans need to know health care is there.

I believe we need a second piece, which is a powerful incentive for individuals to save. But at an interim stage, at the very least, we could bring on what the Senator from South Carolina is talking about this year, a value-added tax, not just to pay for any spending but to get the tax down on payroll. It is too high right now.

People who get paid by the hour today, if you are an American out there watching this—you are probably not watching this, because you are working—but if you are in the work force today getting paid by the hour, you are holding about \$70 million of excess deficit reduction because we are overtaxing you on Social Security.

You could do it with a value-added tax, lower the income tax, lower the corporate tax. You could take action that would unquestionably stimulate the American economy, not as new spending, but as a way to reduce existing taxes. I think the value-added or progressive consumption tax, those kinds of ideas are powerful economic ideas and are urgently needed.

Regrettably, the American people—and I think correctly so—have assumed if you bring a new tax into the existing system, the money is going to get spent on all sorts of things, because

Congress, by definition, is undisciplined.

The Federal Health Care Trust Fund provides that discipline. It contributes to deficit reduction. It gives the American people an honest assessment of how their money is being spent for health care and requires us to be responsible as adults, as citizens in this country. If you want a benefit, if you want an expenditure, pay for it.

Madam President, I hope in the reconciliation debate we are able to accept this proposal. I think it will contribute to deficit reduction. I think it will enable us to have the kind of debate that I think is going to be necessary to enact comprehensive health care reform.

This is not a substitute for reform. It is a necessary, in my judgment, precursor. Otherwise, what we will hear is everything but the truth when it comes to health care in the United States of America.

Madam President, I thank my distinguished colleague for allowing me to speak in morning business.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER: The Chair recognizes the Senator from Idaho.

Mr. CRAIG: Madam President, I ask unanimous consent to proceed as if in morning business.

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

THE BTU TAX

Mr. CRAIG: Madam President, I think all of us here in the Congress, and certainly the American people, have attempted to focus in the last several days on a phenomenally fast and elusive target, and that is the BTU tax as proposed by President Clinton and as articulated by him over the last several months as the pillar of his economic package.

I say that because when it was first proposed, economists around the country said "What? What are you doing, Madam President, for the first time in this Nation's history, attempting to apply a tax in this way on the energy sources of our country that have throughout our time been the great source of our wealth, not only in the abundance of inexpensive energy, but in its ability to create industries that employ people that make us competitive around the world?"

He gave all kinds of excuses—that this was the only way out of a deficit, even though he had proposed major new spending increases, and that, really, this was the kind of revenue raiser that would be necessary if we were going to resolve all of these great problems.

That was some months ago. And, of course, all of us began to look at it and tried to analyze it, as it related to true deficit reduction; but, more important, what kind of impact would it have on the economy? How many people would

would it put out of work? Because any time you drive up the cost of doing business you drive down the competitiveness of business and, ultimately, you cause those businesses to have to lay off people.

I come from a Western State. It is a lot of miles between Twin Falls, ID and Boise, ID. Yet the commerce, to flow back and forth, flows on rubber tires. Those rubber tires are driven by hydrocarbons—gas; and that gas costs a lot of money. Now this President has proposed it ought to cost more money for the sake of the country.

So we began to analyze, not only to Idaho, but to the Nation; the kind of impact this type of taxation would have on our State. Of course we came up with some fascinating figures. A State of 1,030,000 people would be paying as much as a half billion dollars more in income—or Btu tax to the Federal government, on an annual basis. That is a phenomenal hit.

Some small farmers who are highly specialized and intensified in their businesses, because this tax was spread across fertilizers and fuels and other energy-intensive kinds of products, would be paying anywhere from \$10,000 to \$15,000 more a year in the costs of production on their particular farms.

Energy-intensive businesses like the aluminum industry, in which a lot of people in the north end of my State are employed, all of a sudden would probably find themselves out of work and that industry would be seeking a new home in British Columbia, in Canada, where there were inexpensive hydroenergy sources.

As all those figures began to hit the scene, and as the American people finally recognized they were going to be hit several hundred dollars a year per household, and that middle-income America somehow became lost in the shuffle, and the campaign promises that our President had made had somehow disappeared, we all know what began to happen to that tax. It became a burden too heavy to bear.

Yet, of course we know in the budget resolution passed by this Congress and by this Senate it was a burden that was locked in because it was a major revenue source for this President's economic program. Was it going to cost 7 to 10 cents a gallon for gasoline and 8 or 9 cents for diesel? Annual costs per family? The President said in February, \$204; and then Hazel O'Leary said in March, \$322; and Treasury said today about \$400; the Carter Energy Secretary, James Schlesinger, said maybe \$470 per family. All of these kinds of speculations went on.

McGraw-Hill calculates 400,000 jobs lost; the National Association of Manufacturers, 610,000 jobs lost; American Petroleum Institute, 700,000 jobs lost. All of a sudden this President was in trouble with his economic package because the mainstay, the plank, that which locked it together, all of a sudden did not work or could not work or would not work. Senators on this floor

began to stand up and say: Wait a minute, we have better ideas if we are going to have to raise revenue, because this kind of approach simply will put well-too-many people out of work.

This President was elected on a platform of coming to this Nation's Capitol, and putting America back to work with all kinds of inventive, creative new ideas. This one was not too inventive. It was not too creative. And, most assuredly, it was going to put a lot of people out in the cold.

I understand in the House yesterday, and into the wee hours of this morning, people tried to figure a way out of this one. They began to work on it, in the sense they began to cut it back. All of a sudden that aluminum industry that I talked about that is a part of my State's employment base and a part of the Chair's employment base—all of a sudden: Exempt. You do not have to worry about it anymore. We are going to take you out of the picture. All of a sudden certain portions of agriculture: Exempt, taken out of the picture. I understand now, as of last night, certain chemical industries that are exporters, they get a rebate if they export and have to employ this tax.

In other words, this kind of phony economics is in trouble, and it appears that the House is trying to create a whole new image around a very bad idea so, of course, they can get this President's economic package passed.

I am not at all confident you can take a bad idea and turn it into a good idea by a little window dressing; a little flurry around the edges; a little adjustment here, a little kind of political maneuvering to make sure the employees of the Speaker of the House are, all of a sudden, taken care of; that certain dominant areas of our economy are already taken care of. What they have not taken care of is middle-income America, about 74 percent of the American people who are going to be hit right in their pocketbooks by this kind of a tax, because at the very beginning it was a bad idea.

I am not going to argue about deficits. My voting record shows I do not vote for massive new spending programs and I vote to reduce spending anywhere and everywhere I can, because I do believe in limited government and I do not believe that the Government's magic wand creates jobs and builds up economies, as this President and others do. So I would vote against a Btu tax. And I plan to do just that if that kind of program gets to the floor of this Congress, because, no matter how you try to make a bad idea good, in the State of Idaho it damages our economy tremendously as it will in all other working States across this Nation.

I do not want to have to say to certain people in certain households, "Because we are going to make it more costly for you to operate, we are going to give you more food stamps." What a humiliation. Or, "We are going to provide other kinds of spending programs

in this Government to cover up for a bad idea, as it came along." That is what is going on in the House today.

I hope Republicans and Democrats alike, in a bipartisan way, recognize, as many of them already have, that no matter how much you try to change, no matter how much you burn the midnight oil, bad ideas do not become good ideas overnight. They were bad going in, and they will be bad coming out. I wish this President would simply go back to the drawing board, recognize there are other ways to get at revenue.

But, before he talks revenue, I think the American people are beginning to show him a little by the way they are demonstrating their disfavor in the polls. Madam President, revenues are not the issue. Spending is the issue. Get off the Btu tax kick, get on with the business of reducing the growth of Government, and all of a sudden I think you will find your popularity in the polls takes a dramatic turn for the good.

I yield the remainder of my time.
The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. MCCONNELL. Madam President, I rise in opposition to the Hollings-Specter sense-of-the-Senate resolution that the Congress should pass a constitutional amendment to revise the first amendment part of our Bill of Rights for the first time in 200 years. I understand the frustration of my good friend from South Carolina. He philosophically supports spending limits. He has said very eloquently, and correctly, that the underlying bill before us is clearly unconstitutional. The bill could be made constitutional. The bill before us could be made constitutional by making it truly voluntary and by providing adequate public funding so that candidates would elect to limit their speech in return for a public subsidy.

But the Senator from South Carolina is absolutely on the mark and correct that the bill we are considering does not have a chance in the courts.

But the issue before us that is presented by the Senator from South Carolina is the question of whether we should, for the first time in the 200-year history of our country, amend the first amendment. I would say, Madam President, there is not much of a constituency for that. Even the advocates of the underlying bill, such as the Washington Post, oppose a first amendment amendment, if you will, which is what this sense-of-the-Senate calls upon us to enact.

The Washington Post, in an editorial of April 6, 1988, in connection with an earlier effort by Senator HOLLINGS to amend the Constitution, came out in opposition saying, in effect, it is a bad