HOUSE OF REPRESENTATIVES—*Monday, October 8, 1990*

The House met at 8 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May we be open, O God of love, to Your gracious gifts to us—the gifts of wisdom for our minds and integrity for our souls, for a clarity in our vision that transcends our personal needs and for a spirit of respect and honor in all our relationships. Give us, we pray, the patience to truly listen and the courage to speak what we believe to be right. Above all else, O God, we recognize that You have called us to be Your people at this time with all the responsibilities of this day. Whatever our task may we remember our duty to do justice, to love mercy, and ever to walk humbly with You. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentleman from Oklahoma [Mr. INHOFE] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. INHOFE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I would like to state to the House the schedule for this evening. We are still awaiting action in the Senate on both the budget conference and on the continuing appropriation. We understand now that it may happen before midnight on both matters, but we do not know that, and so we are standing by to see when the continuing will be passed.

I think it is likely the continuing will have some differences with the bill that we passed here, so it is likely that some action will have to be taken on the House floor. We will give all Members 2 hours' notice through our respective cloakrooms and whip operations so that Members will be able to get back to the floor in case there is a recorded vote needed.

Mr. QUILLEN. Mr. Speaker, will the distinguished majority leader yield?

Mr. GEPHARDT. I am happy to yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, the Senate has just started, and the word I have is that it will be at least 8 hours or longer, and coming back in at 8 0'clock tonight without any realistic view of what we are doing really is most unfair to the Members.

We have been in session now two consecutive Sundays, and since World War II, I think this makes history, and saying that it probably will be midnight, has the gentleman a reading from the Senate, or is that just speculation?

Mr. GEPHARDT. I have had a conversation with the majority leader in the Senate. He said they have a unanimous-consent agreement that the continuing appropriation could be taken up out of order, in other words, they could break into the budget consideration and take up the continuing appropriation. That is why he felt it may happen between now and midnight; it was a good likelihood that that could happen and, therefore, that is why I said what I did.

Mr. QUILLEN. If the distinguished majority leader will continue to yield, do we intend to come back in just for the continuing resolution and pass that or disagree with it, and then come back later for the budget conference report?

Mr. GEPHARDT. We do not have to take further action on the budget conference report if the Senate approves it. That is the end of it. We would have an agreement on the conference report.

The only matter we really have to deal with tonight is the continuing appropriation, and we hope to be able to do that.

Mr. QUILLEN. If the gentleman will yield further, if they make some changes in the budget resolution, does the gentleman intend to do that this evening?

Mr. GEPHARDT. If changes are made, there would either have to be a conference to deliberate on those changes and to come up with a conference report or there would have to be an attempt here to pass the changed bill on this side, so that it would meet up and conform with the bill they passed on their side.

Mr. QUILLEN. If the gentleman will continue to yield, does the gentleman intend to do that this evening in the event changes are made?

Mr. GEPHARDT. We hope to, because as the gentleman knows, tomorrow morning, very early, Federal employees will have to know whether they are able to go to work, and we want to try to get this done before then.

Mr. QUILLEN. I thank the gentleman for yielding.

Mr. SOLOMON. Mr. Speaker, will the distinguished majority leader yield further?

Mr. GEPHARDT. I am happy to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would ask the majority leader if it is our understanding that the continuing resolution may be modified to perhaps move the date from October 20 back to October 12, which was the Michel amendment on the floor here the other day, and that they might further modify it to continue the appropriations at last year's level? If that is the case, is it acceptable to the majority so that there would not be any disagreement over on this side as far as the leadership is concerned?

Mr. GEPHARDT. We are still consulting with the committee chairmen here and other members on the committee. We have not made a decision. The latest information I had was they were considering the date to the 19th and using on the domestic side, I guess, last year's numbers, and then on the defense number, using a number between where the House was and where the Senate was. That is the latest I have heard. We will just have to wait and see what they come up with.

Mr. SOLOMON. I would just ask again, is that acceptable to the majority side as far as the gentleman knows?

Mr. GEPHARDT. It may well be. We have not finally gotten an answer to that question, but we will work toward that end.

Mr. SOLOMON. I certainly thank the gentleman for yielding.

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I am happy to yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, just to sum up what was said here, the budget resolution itself is of no relevance with respect to whether or not we pass it tonight or tomorrow if the Senate

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should change it or the next day or the following day. It is simply the CR, the continuing resolution, which is at stake.

In following up what the gentleman from New York asked, if the changes made by the Senate are in conformity with those preagreements made, there would only be one vote, up or down, just to conform with the Senate amendment? Is that correct, from our standpoint?

□ 2010

Mr. GEPHARDT. I believe that is correct.

Mr. GEKAS. If the gentleman will continue to yield, so that then the Senate would be through with the CR totally, and the final action would be taken here in plenty of time before the first bell rings for the Federal employees tomorrow morning?

Mr. GEPHARDT. That is the hope.

Mr. GEKAS. I thank the gentleman. I would simply urge that whatever agreement is reached, that it would be one that we can act on quickly over here in the House. I thank the majority leader.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Has the time been set tomorrow, what time we will come into session?

Mr. GEPHARDT. We will have to make that announcement later when we see what transpires tonight. If we cannot get the continuing done, we may have to be here. It may be that we will not have business here tomorrow.

Mr. MONTGOMERY. The time is not set when we come in tomorrow?

Mr. FRENZEL. Will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Minnesota.

Mr. FRENZEL. It looks like it will take a long time over in the Senate to do the job. I assume that the distinguished majority leader will be asking for recess authority?

Mr. GEPHARDT. I think we asked for that and obtained it last evening.

Mr. FRENZEL. Can the gentleman detail what the recess authority is? Would the gentleman talk about this now?

Mr. GEPHARDT. I would be happy to.

Mr. FRENZEL. I think it is important that the Members know what we are talking about. It seems to me if it will take a long time, we ought to recess to a time certain, so the Members are not hanging around here, if it is unnecessary for them to do so.

Mr. GEPHARDT. What I had suggested was that we offer to give Members 2 hours' notice so that they do not have to stay here if they are close enough that 2 hours is enough that they can get back here. I think they ought to go home until we know where we are.

Again, we are hopeful that the Senate will do its work on the continuing, interrupting the budget, and get it over here before midnight so we can get it done here.

Mr. FRENZEL. Is the gentleman aware that there would be a vote if, as we anticipate, the Senate has amended the CR? That a voice vote will not satisfy here?

Mr. GEPHARDT. There is no reason that I know of that we could not do it without a vote, unless the gentleman intends to ask for a vote. If he does, we will have a vote.

Mr. FRENZEL. The gentleman is perfectly content to scream a loud no, but I think there are Members that are going to want to vote on it. I think the leadership should understand that.

Mr. GEPHARDT. I understand.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THANK YOU, AT&T

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, I take this time to inform my colleagues of a very helpful and salutary aspect of corporate America. A couple of days ago in the middle of the night the phone rang and I answered it, and a voice said, "This is your AT&T free call from Saudi Arabia." The next words that I heard were, "Hi, Dad," and it was our son who was over there.

On behalf of all of the families, parents, wives, and the children of those men and women over there, I would like to say a very sincere thank you to the AT&T family, from your highest executive down to your technicians, and your linemen, and everyone that is employed by AT&T for making this available to our men and women who are serving in Saudi Arabia. Thank you, thank you, thank you.

CONGRESS HAS FAILED

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, we have heard them all by now. We have heard all those jokes about Congress. Members know, the one about the National Zoo being closed, but it does not make any difference because all the monkeys are right here. Those kind of jokes.

As one who believes in representative government, and one who believes in this institution, those biting jokes about this Congress hurt. This night and this week, those jokes, unfortunately, are too well deserved. This Congress has failed. Last night we adopted a budget resolution so lacking in direction, so devoid of specificity, it would be laughed out of any other legislative Chamber. However, as hollow as that resolution was, it was one that should have been adopted last April by this body, a conference report that should have been adopted last May. Our Committee on Ways and Means, our Committee on Appropriations, our other authorizing committees should have been working all summer, all fall on implementing this budget. Instead, here we are, October 8, 8 days into the new fiscal year, and we are just about, just about to give some direction to our committees about how to draft a budget for the fiscal year 1991.

This is the failure of Congress and its leadership at its very worst. The American people deserve better of this Congress, and they expect better. Let Members resolve to give that to them tonight. Let Members get this job done.

PROGRAMS CUTS NECESSARY

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, everybody in this country, in fact throughout the world, most people are looking at the budgetary problems the United States has tonight. However, there is one thing we are not looking at, and well we should, and that is that there really is not any real good way to balance the budget, and get ourselves in good fiscal situation, unless we meet the desires of our constituents to not pay additional taxes and do it in a way that we eliminate programs in the Federal Government. In the last 25 or 30 years, the United States has added many grant programs and other programs very needed, very helpful, very wonderful, to help a lot of people and a lot of different things, but the people of the United States are saying in no uncertain terms that they do not want to pay for it. So the best thing we can do in the oncoming months, we cannot do it before the end of this year I am afraid, we really ought to look at what programs we have that we could dispense with. Then there are some that are not really properly run, because of the looseness of the

structure. Some could be modified. However, it is much better to actually eliminate some of these grant programs which are bankrupting the U.S. Government, on the basis of the present income we have.

There is no trickery, no mystery, no something that is going to be discovered that is going to make it possible for Members to continue the affluent and spendthrift Government that we now have, for all these very good projects that are very good things, but we will just have to cut out some of these programs.

RECESS

The SPEAKER pro tempore (Mr. MRAZEK). Pursuant to the order of the House of earlier today, the Chair declares the House in recess subject to the call of the Chair. Notice will be given 2 hours prior to reconvening, and bells will be rung 15 minutes before the House reconvenes.

Accordingly (at 8 o'clock and 19 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1250

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 50 minutes a.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed with amendments in which the concurrence of the House is required, a joint resolution of the House of the following title:

H.J. Res. 666. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time that I might proceed for 1 minute to inquire of the distinguished majority leader the program for this evening, or this morning, and for the next several days if that is possible.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman.

We are in a few moments going to take up the continuing resolution. There are some differences in the Senate, so we will be taking it up here and having a vote in a few minutes.

Our plan is to not have a session on tomorrow, or today, Tuesday.

On Wednesday, we will have a meeting at noon. We will consider a number of suspensions. The vote will be held until the completion of all of the suspensions, and then we will, after that, after those votes, have the override of the textile bill.

Then on Thursday and Friday, we have a number of bills that we had talked about. There will be conference reports. We will be meeting all day and probably into the night on both of those days.

We will not have votes on Saturday or Sunday. We are getting used to that, but we are not going to do that this weekend.

Then obviously the next week will be very intense, and we have a lot of committee activity going on this week and next.

Mr. MICHEL. Will we have a list of those suspensions that will be scheduled for Wednesday?

Mr. GEPHARDT. Yes.

Mr. MICHEL. Are those already in the whip notice and that has not changed any?

Mr. GEPHARDT. Yes. The gentleman is correct.

Mr. MICHEL. Then we will roll the votes on Wednesday until they have all be concluded? I forget what the number is, but it was an extensive list, nearly 30.

Mr. GEPHARDT. Forty-three.

Mr. MICHEL. Then after that we would have the vote to either sustain or override the President's veto on the textile bill?

Mr. GEPHARDT. That is right.

Mr. MICHEL. I would underscore the point, as the distinguished majority leader said, that means working late Wednesday, Thursday, and Friday. The schedule is really closing in on us.

Mr. Speaker, while I have just a moment, if I might take this opportunity, because in all the furor over the last several days, one thing and another, I have never really had an opportunity to express my own feelings of appreciation for the manner in which the majority leader conducted himself as chairman of those prolonged, elongated, extensive summit deliberations. He has the patience of Job, and his ears just got bigger and bigger and bigger. He had to listen, listen, listen, and it is a traumatic experience to have to weather the storm all that time. I applaud him for what he has done.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield one moment, let me return to the compliment by the minority leader. There were many, many times when the going got rough, and I think everybody in this body knows that all of us believe that BOB MICHEL is the finest human being that we have known, and certainly one that I am proud to know, and I am proud to have been working with you in this effort, and I appreciate all that you did.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I would just like to find out if we are going to roll those votes on Wednesday, does the gentleman have any idea what time on Wednesday we will have our first vote for those of us who may be out of town?

Mr. GEPHARDT. If the gentleman will yield further, we cannot give the gentleman a certain time, but there are 43 different bills. I would say late in the afternoon, 5 or 6 o'clock would be a good guess.

Mr. BURTON of Indiana. If the gentleman will yield further, if we planned on being back here Wednesday at 5 o'clock, we should not miss any votes then?

Mr. GEPHARDT. That is correct.

Mr. MICHEL. We cannot guarantee it, I do not think.

Mr. GEPHARDT. Right.

Mr. MICHEL. But it stands to reason that if we do not come in until 12, 43 bills, the arithmetic tells us it is going to be very late.

TRIBUTE TO THE CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I would like to proceed for 1 more minute out of order, because I know we are going to move now to this appropriation bill.

I would also like to commend the chairman of the Committee on Appropriations who has been so willing and able to deal with so many continuing resolutions of different time periods. I think all of us in the Chamber appreciate his ability and willingness and capacity to deal with this and help us get through these continuing appropriations, and I want the chairman to know that I personally very much appreciate his help in a very difficult period.

ADJOURNMENT FROM LEGISLATIVE DAY OF MONDAY, OCTOBER 8, 1990, TO WEDNESDAY, OCTOBER 10, 1990

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on the legislative day, of Monday, October 8, 1990, it adjourn to meet at noon on Wednesday, October 10, 1990.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO CONSIDER BILLS UNDER SUSPENSION OF THE RULES ON WEDNESDAY, OCTOBER 10, 1990

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the House be able to consider bills under suspension of the rules on Wednesday, October 10, 1990.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

POSTPONING CONSIDERATION OF VETO MESSAGE ON H.R. 4328, TEXTILE, APPAREL, AND FOOTWEAR TRADE ACT OF 1990, NOTWITHSTANDING ORDER OF THE HOUSE OF FRIDAY, OCTOBER 5, 1990

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that notwithstanding the order of the House of Friday, October 5, 1990, that further consideration of the veto message on H.R. 4328, the Textile, Apparel, and Footwear Trade Act of 1990 be postponed until Wednesday, October 10, 1990.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1991

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 666) making further continuing appropriations for the fiscal year 1991, and for other purposes, with Senate amendments thereto, and consider the Senate amendments in the House.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Senate amendments:

In subsection 101(b), after "the Senate as of October 1, 1990," insert "or at a rate for operations not exceeding the current rate and under the authority and conditions provided in applicable appropriations Acts for the fiscal year 1990,".

In section 103, strike out "$262,969,000,000" and insert "$265,369,000,000".

In subsection 108(c), strike out "October 20, 199,language to their
respective Budget Committees should be October 12.

(b) The Budget Committees should report the reconciliation bills no later than close of business October 13.

(c) It is the Sense of the Senate that the Senate should begin consideration of the reconciliation bill on the first day of session following its report by the Budget Committee.

□ 0100

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I move to concur in Senate amendments Nos. 1, 2, 3, 4, and 5.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. WHITTEN moves to concur in Senate amendments Nos. 1, 2, 3, 4, and 5.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume, and I appreciate the comments made by the majority leader very much.

May I say that our committee on Appropriations does have its hands full this year particularly because we have been delayed repeatedly, for one reason or another, and we have cooperated in connection with it. The first continuing resolution that we first reported went for 20 days, and we were asked to drop back to 5. The second one went until October 20 and we were asked to go to the 12th. This resolution went to the 20th, and now I come here tonight and the Senate had made an amendment making it the 19th instead of the 20th. These are examples of some of the recent actions of the Congress, beyond our control, which may once again bring us to a point where a continuing resolution for the rest of the year may be the only way to complete our work in a timely manner—which none of us desire.

At this time, I move to concur in the Senate amendments, and prior to a vote, I would like to point out that the amendments are thought to be important on their side. I do not think they are doing any material harm to the House position, and for that reason I do support them, but particularly in view of the fact that we all need to get through and get home. For that reason, I move to concur in Senate amendments 1, 2, 3, 4, and 5.

The SPEAKER. The gentleman from Mississippi [Mr. WHITTEN] is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. CONTE] for purpose of debate only pending which I yield myself such time as I may consume.

May I say here, it has been a privilege to cooperate with my good friend, the gentleman from Massachusetts [Mr. CONTE] these recent weeks when we have had many, many things to contend with.

Mr. Speaker, I reserve the balance of my time.

Mr. CONTE. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, at the outset, I want to commend my counterpart, the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN]. We have had a very, very difficult year. He has been most cooperative. I appreciate the cooperation he has given me.

I rise in support of the Senate amendments, Mr. Speaker, as I understand it, for spending in the appropriations bills, the Senate amendments would require that the rate of spending, while this continuing resolution is in effect, be at the lower of the House-passed bill, the Senate-passed bill or fiscal year 1990.

Under the continuing resolution as it passed the House, the rate for bills that had passed both the House and the Senate was to be at the lower of the two bills. The Senate amendment adds a third level, last year's level, and so would prevent any increases in spending over last year's level. This would impact on five appropriations bills: Treasury/Postal; Transportation; Energy and Water; D.C.; and Agriculture. This means no appropriations will now be spending at a rate higher than in fiscal year 1990, although they may be spending less.

If this spending rate were in effect for a full year, it would have the effect of reducing the rate of budget authority by as much as $11.3 billion. It is impossible to know exactly, because you have to go through each bill account by account.

For defense, the Senate amendments raise the annual amount on which spending under this CR is based by some $3 billion.

In addition, the Senate amendments change the expiration date of the CR, sequester suspension, and the debt ceiling from October 20 to October 19, and set forth a sense of the Congress timetable for the legislation that will need to be enacted to carry out the budget resolution.

Mr. Speaker, the witching hour is near when all Federal workers and programs will be affected by not having a continuing resolution in place. We need to take action to assure the orderly functioning of the government.

If we pass these amendments, we will have prevented the shutdown of the Government. We will have slowed the spigot of spending to increase pressure in the system to carry out the budget resolution. It is the responsible thing to do.

I urge that the House agree to the amendments of the Senate.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, as most of the Members know, early this evening the other body amended the continuing resolution that we sent over to them yesterday morning, and of course we had the debate with respect to my amendment, hoping that we could at least, during the period of a continuing resolution, make this sav-

ings that we were espousing at the time, at a level that would mirror what the summit had agreed to in a proportionate sort of way.

What the Senate had done is a good compromise. I certainly support that compromise, and it is my understanding in consultation with the administration that we adopt this resolution with the Senate amendments, then we have the support of the President, and it will not be vetoed. Adoption of the amendment will open the way for the Government to resume operations, provide the Congress an opportunity to continue its work on enacting a Federal budget that substantially reduces the Federal deficit over the next 5 years.

Specifically, as both gentlemen from Mississippi and Massachusetts have pointed out, we will outline the levels as I am sure they may very well have, in detail, in the extension of remarks.

I simply want to add to that that the Senate amendment further contains a sense of the Senate language setting forth a tight schedule for the next 2 weeks. Committees are to report reconciliation legislation to the Committee on the Budget by October 12. The Committee on the Budget will then report the reconciliation bill by October 13, and floor consideration will begin as soon as possible. Final action on the reconciliation bill is anticipated by October 18.

Now, those Members who have been over the traces before, and through this procedure, know that is a big order of business to get adopted, and through our committees by that very tight schedule. I hope the House is contemplating a similar expedited schedule. It is imperative that the Congress complete action on the separate appropriation bills, and a reconciliation bill acceptable to the administration by that time.

I have been told the President would have to withhold his signature from a further continuing resolution if an acceptable reconciliation bill has not been presented to him by the date of October 19. So we have plenty of work ahead of Members, and there will have to be some late nights around here.

Mr. WHITTEN. Mr. Speaker, may I say that I am surprised at some of the statements made by my colleague and friend, the gentleman from Illinois [Mr. MICHEL].

We must, to keep this country running right, begin to do our own business. I said in my remarks of yesterday that sequestration and Gramm-Rudman, are processes where, on the threat of veto, the executive branch absolutely can control the Congress of the United States. I insisted that we are going to waive sequestration. May I say that an amendment made here by the Senate is a sense of Congress, which I do not concur with, but I do not take issue with.

We have reconciliation where we tell those who know something about it, such as the Committee on Ways and Means, what to do. That seems to be the order of the day. I want to repeat again, this matter of letting any individual close the whole country down, which will close then at 7 o'clock in the morning if we do not do this, is not sound government.

I mentioned earlier, and I believe Claude Pepper was the first I heard say it, our system of government was very similar to the Russian Troika—a chariot with three horses that had to pull together. I have done that in my service here. I believe in that, but we cannot turn over to any group the right to close everything else down unless they have their way. I say that to my good friend down the street and others. I sincerely believe we need to do that. We must insist on being an equal and important branch of Government, and run our Government as we see fit.

□ 0110

Now, in saying that I would like to point out again that since I have been chairman of this committee, we have had 155 appropriation bills; 145 have been signed, and we worked the others out; 7 we failed to override. It takes cooperation and not tricks and not a case of closing the government down unless we do as we are told.

I have gone along because I do not want to have any part in closing the government down, which would be by 7 o'clock in the morning.

The Senate amendments I think were written for the purpose of trying to get it signed. I think for that reason we will go along with it; but I repeat again, let us look after our business and trust our good friends on the other side of the avenue to look after theirs and to work with us.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments now under consideration, and that I may include extraneous and tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to make one point about the Senate amendments before I yield my time, so we have the record straight.

In section 115 of the CR that we are going to vote on in a few minutes, it says here:

(a) It is the sense of Congress that the date by which committees should report their reconciliation language to their respective Budget Committees should be October 12.

(b) The Budget Committees should report the reconciliation bills no later than the close of business October 13.

And then section (c) of that section says:

It is the sense of the Senate that the Senate should begin consideration of the reconciliation bill on the first day of the session following its report by the Budget Committee.

I would just like to have the record clear on that.

Mr. WHITTEN. Mr. Speaker, the gentleman is correct. That was written on the other side of the Capitol, and I reserve on that part of it.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, when I saw this plan that we are about to vote on, it struck me that this would give us a chart by which we can be clear as a Congress that we will never again have stopgap funding, never again shall we put our Federal workers in jeopardy, never again shall we see the Federal Government be threatened to be closed down.

How? All we have to do is pass legislation that will say that if we do not have a budget by the end of the fiscal year, by September 30 of each fiscal year, that automatically the next day will be reenacted one of the current levels, House levels, Senate levels, that are inherent in the proposal about which we are here tonight; so the Federal workers can forever be satisfied that they will never face a crisis like this again, nor shall the House.

In fact, I have legislation like that which I have introduced. I am going to commend it to the reconciliation process and go before the Rules Committee and ask for their support.

Never again should we have stopgap funding. Never again crisis intervention.

Mr. CONTE. Mr. Speaker, I yield back the balance of my time.

Mr. WHITTEN. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to concur.

The previous question was ordered.

The SPEAKER. The question is on the motion to concur offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 362, noes 3, not voting 68, as follows:

[Roll No. 439]

AYES—362

Alexander	Anthony	Archer
Anderson	Applegate	Armey

Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Condit
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dixon
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Grant
Gray
Green
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefley
Herger
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martinez
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nielson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland (GA)
Roybal
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Traficant
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Washington
Watkins
Weiss
Weldon
Wheat
Whittaker
Wise
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

NOES—3

Crane
Dannemeyer
Williams

NOT VOTING—68

Ackerman
Andrews
Annunzio
Aspin
Beilenson
Berman
Brooks
Broomfield
Bunning
Carper
Crockett
Dickinson
Dingell
Donnelly
Espy
Ford (MI)
Gradison
Guarini
Hall (OH)
Hayes (LA)
Hefner
Henry
Hertel
Johnston
Jones (NC)
LaFalce
Leath (TX)
Lehman (FL)
Lipinski
Luken, Thomas
Markey
Martin (IL)
Martin (NY)
Matsui
McDade
Moody
Morrison (CT)
Murphy
Nelson
Nowak
Owens (NY)
Panetta
Pease
Ray
Robinson
Rose
Rostenkowski
Rowland (CT)
Russo
Schumer
Shuster
Skelton
Smith (NE)
Smith, Denny (OR)
Smith, Robert (OR)
Stark
Stump
Tauke
Torricelli
Towns
Traxler
Udall
Vander Jagt
Waxman
Weber
Whitten
Wilson
Yates

□ 0142

Mr. CRANE changed his vote from "aye" to "no."

So the motion to concur was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present for rollcall No. 439, I would have voted "aye."

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR 1991

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight, October 9, 1990, to file a privileged report on a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes.

Mr. MILLER of Ohio reserved all points of order on the bill.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee has examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4522. An Act to improve the information available to emergency response personnel in the field, and for other purposes;

H.R. 4593. An act to transfer to the Secretary of the Interior the administration of the surface rights in certain lands presently within the boundaries of the San Carlos Indian Reservation, Arizona, and managed by the Forest Service as part of the Coronado National Forest, and for other purposes; and

H.J. Res. 666. Joint Resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 1677. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience and for other purposes;

H.J. Res. 660. Joint resolution making further continuing appropriations for the fiscal year 1191, and for other purposes;

H.R. 435. An act to amend the Appalachian Regional Development Act of 1955 to include Columbiana County, Ohio, as part of the Appalachian region;

H.R. 2809. An act to provide for the conveyance of certain lands to the State of California, and for other purposes; and

H.R. 971. An act to require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, and for other purposes.

ADJOURNMENT

Mr. HOYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 45 minutes a.m.), under its previous order, the House adjourned until Wednesday, October 10, 1990, at 12 noon.

SENATE—*Monday, October 8, 1990*

(Legislative day of Tuesday, October 2, 1990)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Honorable CHARLES S. ROBB, a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Put on then, as God's chosen ones, holy and beloved, compassion, kindness, lowliness, meekness, and patience, forbearing one another and forgiving one another, if any man has a quarrel against any; even as Christ forgave you, so also do ye.—Colossians 3:12-13.

Eternal God, perfect in patience and love, Congress is knee-deep in frustration, trying to please everyone. But this is democracy. We remember the words of Winston Churchill: "Democracy is the worst form of government, except for all the other forms."

As your servants struggle with conviction, conscience, and constituent demands, much, if not most, of the complaint comes from people who don't want their share of public funds touched or taxed. Help the people to remember, Lord, that they have their best opportunity to exercise their sovereignty in just 4 weeks. Forbid Lord, that any should forfeit their responsibility to this fundamental, indispensable foundation of our political system. In Jesus' name, who loves and forgives and forgets. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 8, 1990.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Charles S. Robb, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. ROBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President and Members of the Senate, at 2:30 p.m., or as soon thereafter as possible, it is my intention that the Senate proceed to the consideration of the budget conference report. It was approved by the House of Representatives in the early morning hours of today, and it is imperative that the Senate approve that resolution and follow that with approval of a continuing resolution which will permit, in the first instance of the budget resolution, the process to move foward toward a reconciliation bill and a meaningful, fair, and responsible program to reduce the Federal budget deficit. In the latter instance of the continuing resolution, it will permit the continued funding of the Government until October 20, by which time it is our hope that we will have completed action on the former, the deficit reduction package.

The budget resolution on which we will vote, will not become law. It does not require the President's signature. It is an internal mechanism of the Congress to permit the Congress to move forward toward the changes in law that will be included in the reconciliation bill on which we will vote on or prior to October 20.

Unfortunately, in the past week, there has developed the perception that a vote on the budget resolution is itself a final vote on the budget and will itself cause changes in law such as those that have been suggested as part of the budget summit agreement and otherwise.

That is not the case. The budget resolution does not become law. It merely permits the Congress to proceed to enact those laws that will be necessary to implement a deficit reduction process.

I believe it imperative that the Congress proceed to adopt the budget resolution to permit the continued operation of the Government and to move toward the reconciliation bill on or prior to October 20 that will change the law and bring about the much-needed reduction in the deficit, which we all seek, in a fair and responsible way. I hope very much that can be done in a bipartisan fashion. Throughout the day on Saturday and yesterday, until very late last night, we were involved in discussions with our House colleagues and with our colleagues on the Republican side in the Senate, including the distinguished Republican leader, the ranking member of the Budget Committee, and many others. We have tried to structure this in a way that would make it truly bipartisan and would be acceptable to the President, so as to enable us to proceed to deal with the deficit in a fair and responsible way.

The two parties are now meeting in respective conferences to discuss the pending budget resolution and continuing resolution. It is my hope that out of that will emerge a broad consensus, embracing Members of both parties, that will enable us to act in a decisive manner to end the period of doubt and indecision and negative activity which has so rightly concerned the American people.

We all want to reduce the deficit. We recognize that in a Nation as large and diverse as ours there is not unanimity, nor even consensus, on precisely the best way to do it, and so each Member of Congress, being a responsible individual but representing a different constituency, has his or her own views on how best to do it. The process in which we are now engaged is an effort to reconcile those conflicting views in a manner that is acceptable to the President.

The President has been a principal participant in these budget negotiations. Indeed, I think it fair to say, as one who has participated in all of the summit meetings, that the dominant participants have been the President's representatives. They have done most of the talking and most of the negotiating from the administration's side.

We made a good faith effort to achieve consensus on a budget summit agreement. That was not accepted in the House of Representatives. We may all at a later point in life look back and speculate on how or why that happened, but this is not the time to point the finger of blame or to engage in recrimination. This is a democracy. Thank God for that. And in a democracy, we must have a majority of votes of the elected representatives of the people to move the process forward and to pass laws.

A majority of the House of Representatives has spoken. It is a decision with which I disagree, but I accept the result. All of us must now bend our efforts not toward engaging in Monday

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

morning quarterbacking about what might have occurred but, rather, in looking forward to trying to deal with the situation in which we now find ourselves and moving forward to resolve the difficult situation which now exists.

That can be done best by adopting this budget resolution. Indeed, it is my judgment at this point that can only be done by adopting this budget resolution. Failure to adopt this resolution will continue and deepen the crisis which now exists, and, with the ending of the holiday period tomorrow morning, it will be much worse than it has been over this past weekend.

So I repeat that it is my hope that we will be able to move shortly toward consideration of the budget resolution; that we will be able to get an agreement to reduce the length of time for its consideration; that we will have strong bipartisan support for adoption of the resolution; and that we will pass it by a substantial vote, and then move on to consideration of the continuing resolution so that we can demonstrate to the American people that we can act decisively, and that we can move this process forward. And hopefully, before this month is out, we can take strong, fair, and meaningful action to reduce the Federal budget deficit which we all know is necessary to the future economic health of our society.

Mr. LEAHY addressed the Chair.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I wish to reserve the remainder of my leader time, if any, and all of the leader time of the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes.

The Chair recognizes the Senator from Vermont [Mr. LEAHY].

THE BUDGET

Mr. LEAHY. Mr. President, I do not wish to interfere with what the distinguished majority leader has said, but I understand he has completed his statement.

Mr. President, I hope that the American public and Members of the Senate on both sides of the aisle will listen to what the distinguished Senator from Maine said. We are not playing some kind of an abstract game even though there are some who want to stage it that way.

This weekend, we have seen the unnecessary and symbolic closing of the Washington Monument, the unnecessary and symbolic closing of the Smithsonian, and the unnecessary and symbolic pileup of trash along the Mall. Some tried to make political points, calling the press and claiming these as examples of sequestration. This is the baloney kind of political and symbolic posturing that got us in this mess in the first place.

Since 1981, some have felt that we could handle the budget by symbols, and not by substance; that we could talk about what we wanted for America, without asking for any sacrifice or pain.

Sequestration is more than the inconvenience of having some of the national monuments close. It means that those on parole will not be supervised; that the savings and loan crooks cannot be prosecuted; that school lunches will not be served; that Meals on Wheels will not be there; that the Head Start Programs will not exist; and that our educational system will fall even further behind Japan, Europe, and the others.

These are the real effects of a sequester even if they do not photograph as well or show as well in a 10-second cut. No matter, because they are far more deadly to the United States.

Mr. President, I was 1 of the 12 in this body who voted against the program that got us in this mess in the first place. It is frustrating for me to see visitors come to Washington, DC, to find the monuments in the Nation's Capital closed. They come here for a firsthand view of democracy, to only find the doors slammed shut.

In 1981, we were told: Let us have a huge tax cut and 85 percent of the people in America said, "What a wonderful idea." We were told: Let us have a huge defense buildup and 80 or 85 percent of the people in the United States said, "What a wonderful idea." We were told: Let us have a balanced budget; again 80 to 85 percent of the people of the United States said, "What a wonderful idea."

But the President of the United States, and unfortunately a lot of Members of both parties in the Congress, did not have the guts to stand up and say: It may be popular, but you cannot do all three. You cannot have a huge cut in taxes, a huge buildup in defense, and a balanced budget.

There were very few people who said the Emperor has no clothes. Only 12 in the Senate voted against that package. Now those of the 12 who are still here will be asked to help try to get us out of this mess. Those who started the fiscal forest fire we face now ask those who did not start the fire to help put it out.

Mr. President, we have lived on symbols and empty promises for 10 years. We have tried to substitute rhetoric for reality. We have tried to find this easy "sloganeering" from the President to the Members of Congress, to get us out of this mess. It did not work.

Now the piper has to be paid. It is going to be a very, very painful payment. We have to ask ourselves are we willing to do it? Is the President willing to stand up and eschew symbols and go for a painful reality?

Is the Congress willing to do so? The American people can expect no less. They can go back and find those who got us in this mess in the first place, and if they want to replace somebody, replace them. But they should also ask how many of us are willing to stand up and put this country back on its economic feet, and put this country in a position where finally we can start competing with Japan and Europe, and bring out the best of our own country.

When I grew up, Mr. President, I grew up in a family where we were told each generation should try to make it better for the next generation. I suspect the distinguished Presiding Officer was told the same thing by his parents.

We have squandered so much of the future of this country during the past 10 years. We have truly eaten our own seed corn. We are not leaving a better world for the next generation. But we must do more. We must prepare something for the next generation. I hope that we can.

We must follow the leadership of Senator MITCHELL and others to stand up and say: This has to be done. This must be done. We can no longer use excuses. We can no longer flee our responsibilities. There is no package of taxes, spending cuts, spending programs, tax programs that is going to be popular in the park.

It may be popular passing budgeted packages, but, Mr. President, the devil is in the details. Those details are going to make up the 30-second spots claiming that Congressman so and so, or Senator so and so voted to cut your Medicare. Who wants to face that ad? Congressman so and so, at a time when our brave men and women are in Saudi Arabia, voted against defense spending. Who wants to face that? Congressman so and so voted to raise your taxes, and on and on and on.

Well, Mr. President, some of us ought to be willing to take the heat; we cannot hide behind the comfort of dealing in symbols, and shoveling smoke instead of helping to lead this country. None of us owns a seat in the U.S. Senate none of us own a seat in the House of Representatives. We were sent here to do the best for our State and for our Nation, not the best for our political constituents, or for

whatever might be the momentary poll.

Mr. President, there will be other speeches made on the specifics, but I listened to some of the speeches in this debate, and I think some of the ones giving them ought to go back to school to take a history course, just for the heck of it. It would be a very, very interesting procedure. We must stop thinking that the American people can think in only 30-second sound bites.

The American people expect the best of the greatest democracy in history, the greatest and most powerful nation in history. We are at a threshold of seeing this Nation slide into decline against Europe and Japan and other nations. We have the ability today to stop the decline, to reverse it, to get us back on the path of greatness. We cannot do it with empty symbols and with feel-good resolutions, and we cannot do it with things that are just going to be popular to every single special interest group from the left to the right. We can do it if we think of only one interest group, 260 million Americans, and stand up for them. That is the choice we have today.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. LEAHY. Mr. President, I ask unanimous consent that morning business continue under the same conditions as before, reserving the appropriate leaders' time until 3 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I see nobody on the floor seeking recognition. I understand that both parties are still in caucuses. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE BUDGET

Ms. MIKULSKI. Mr. President, I almost was not here today, but I am. And I am ready to do my duty as a Senator on the important budget issue facing us. I was almost not here today because my mother was admitted to intensive care. I say that not to draw attention to myself or my family but to tell you a story about how the American people feel about the crisis confronting this Congress and this country today.

We received a call from mother's homemaker, a lady in the neighborhood who gets up and makes her breakfast, to say something terrible was happening to my mother. Fortunately, my sisters and I are only blocks away. We dashed there and found out that my mother could barely talk, could not catch her breath, and by ambulance we were ready to take her to a hospital in Baltimore served by the Sisters of Mercy, a hospital where my sisters and I were born.

While I am happy to report to you and to other Senators my mother is stable, what happened there at the hosptial was interesting because here was my mom, 75 years old, about my height and probably even twice as spunky when she is not set back; with the oxygen mask over her, with my sisters and I standing next to her, she asked me if I was coming to vote today.

Mr. President, I could not believe it, because only an hour earlier we did not know if my mother was going to live or die. I said, "Oh, I don't know, mom. I don't have it straight. I'm just worried about you." She said, "You have to go and vote. If the budget lost by one vote, I would have another heart attack. You go to Washington and save Medicare."

As I sat there with my mother, Sister Thomas, who heads up Mercy Hospital, said to me, "your mother is in the hands of God and the Sisters of Mercy. We will do our job by your mother. You go to Washington and you do your job. Save Medicare." Save Medicare.

Mr. President, I am here dressed a little bit more informally than I would ordinarily be to address the Senate, to participate in my formal duties. I just dashed out this morning.

Mr. President, I am here to save Medicare. I am here to save Medicare not only for my mom but for all the moms. I am here to save veterans' health care, not only for my uncles but all the men who benefit from that most important service. And most of all, I am here today to save the United States of America.

Mr. President, I am going to vote for the budget that will be presented to the Congress this afternoon. I am going to vote for it because I truly believe we are going to be able to make 40 billion dollars' worth of cuts. But we are going to do it in a way that is going to be fair; we are not going to cut Medicare in the way that was originally proposed. We are going to, instead, take a look at a tax package that goes after those who have and those who have benefited by this decade of glitz economy.

Mr. President, I look forward to being able to vote on raising the tax rates of people who make over $150,000 a year. I look forward to it. I think they ought to pay as much as an FBI agent, a schoolteacher, an electrician, a waterman, or a farmer in the State of Maryland. I think we should make sure that the people who make over $200,000 a year now, who only pay 28 percent on their taxes, will then begin to pay their fair share.

Mr. President, I advocate to the Finance Committee, let us put an additional surcharge on those people who make over $500,000 a year. I think the sports figures in our society ought to be able to step up to the bat and begin to pay their fair share. I think we ought to put on a surcharge when people make over $500,000. Who would they be? How about the people in the entertainment industry. Let them sing a tune of tax fairness.

Mr. President, I think that surcharge ought to go on the captains of industry so they start paying their fair share of this country's budget. I think the people who run the corporations ought to pay the same taxes as the people who work for the corporations.

Mr. President, I think it is time that the Wall Street go-go boys start paying their fair share. I am tired of hearing about Donald Trump. We ought to trump his card and call in the game. I am tired of wild card casino, speculative kinds of economics in this society.

So I know that when I vote on this budget today the decision will be made by the Finance Committee and the Ways and Means Committee. People have talked about this Democratic Congress not being able to do its job. The reason we have not been able to do this job is because we are trying to do business with another party that wants to protect that 2 percent that wants to live like parasites off the other 98 percent. I think we have all had it, and that is why we are going to be able to support this.

There are those who say, well, we ought to be able to make more cuts. I absolutely agree with that. I think we can make more cuts in the military. I think we can cancel that MX missile. I think we can cancel star wars. I think there are cuts we can make, and yet at the same time look out for the men and women who are out there performing their duties in Operation Desert Shield.

Mr. President, I think there are cuts in domestic spending. In my own Sub-

committee that I chair in Appropriations, we fund the programs for veterans, housing, and space.

In our budget, in VA appropriations, we have eliminated the Moon Mars project. This is very special to the President. I know it will be very important to the future of space exploration. But, Mr. President, $300 million on a high-risk, Buck Rogers sci-fi project is not what is called for when people do not know whether we are going to have rail service to get to work. I would rather make sure they get to work than worry about whether we are going to get to Mars in the year 2040.

I believe we have to take a bit out of bureaucracy. In one agency, we froze the first-class travel of a Cabinet officer. I believe the American people ought to start going first class rather than Cabinet officers.

Mr. President, we have taken action to eliminate some of the public relations offices. If we are going to tell our story, let our actions speak for us.

Now when all is said and done, more needs to get done than said. I think if we start putting on our green eyeshades where there is fat to cut out, we do not have to cut out FBI agents, we do not have to cut out meat and poultry inspectors, we do not have to cut out claims examiners in Social Security. We need those people on the job. But there are a lot of things that we can cut. Also we can come up with the taxes—when people spend more on lawyers to evade the taxes than the taxes many of us pay.

Mr. President, that is what I call fairness. That is what I call a budget. When my name is called this afternoon, I am going to vote "aye." When I go back and see my mother tonight or tomorrow morning, I am going to say that, when I left her, I know that I left her in the hands of God and the Sisters of Mercy. And I pray that both of those are with me today when I cast my vote.

I yield back the remainder of my time, and I look forward to casting my vote.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DIXON. Mr. President, I ask unanimous consent to proceed as in morning business for a brief period of time.

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

THE INITIATION OF DIRECT FLIGHTS BETWEEN THE SOVIET UNION AND ISRAEL

Mr. DIXON. Mr. President, the Soviet Union and Israel are discussing the possible commencement of direct flights between those two countries. This could be a historic opportunity for both countries, and I wish to urge the Soviets and Israel to reach an accord at the earliest possible date.

There has been a considerable warming of relations between the Soviet Union and Israel in recent months. Consulates may soon open in each country, opening the prospect for further actions leading ultimately to normalization of relations.

A direct flights agreement is a critical first step in this process, and this Senator's impressions of the Soviet's pronouncements of glasnost and perestroika, will in part, be shaped by their willingness to conclude a satisfactory agreement.

A satisfactory agreement will include flights for the emigration of Soviet Jews and others, not just flights for those Soviets granted visitor's visas.

Should such an agreement be reached, at long last the prospect of allowing Soviet Jews to go directly to Israel to begin a new life in freedom would be upon us. We in the international community must work to ensure direct flights become reality.

As cochairman of the Congressional Caucus for Soviet Jews, I have spoken frequently on behalf of refuseniks and others who have been locked behind Soviet borders, unable to pursue their dream of life in their ancient homeland. While the flow of emigrants from the Soviet Union has risen dramatically, there are still hundreds of refuseniks who even in this era of glasnost cannot gain permission to leave the Soviet Union.

This is the story behind the story, Mr. President.

The struggle for freedom has come true for former refuseniks such as Georgi Samoliovich, Alexander Pyatetsky, and Vladimir Dashevsky, but it remains elusive for Mikhail Kazachkov, Sergie Veprinsky—whose wife, by the way, lives in Illinois—Anatoli Genis, and others who have waited as long as 10 years for permission to emigrate.

Mr. President, every step taken by these two countries toward a direct flights agreement represents a further opening in the window of opportunity for increased Soviet Jewish emigration. We must remain committed to the cause of free emigration from the Soviet Union.

I will continue to do all I can to support the commencement of direct flights. An agreement would be cause for celebration, Mr. President, and remind all of us to rededicate ourselves to the cases of those whose struggle for freedom continues.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,032d day that Terry Anderson has been held captive in Beirut.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DIXON. Mr. President, what is the order of business right now?

WHAT NORTH DAKOTA IS ALL ABOUT

Mr. BURDICK. Mr. President, I would never consider living anywhere but North Dakota. The people of my State truly are special, as I was reminded when a fine farmer and State Senator, Clark Ewen, passed away recently. Hearing Clark was dying of cancer, more than a hundred neighbors and friends organized to harvest almost 6 million pounds of his sugar beets in a single day. As his widow said, "That's the way people do things in rural communities. This Is What North Dakota Is All about."

A third-generation Red River Valley farmer, Clark Ewen started raising sugar beets in 1962. He helped organize the Red River Valley Beet Sugar Cooperative that merged with American Crystal Sugar in 1975. He worked to change the payment formula to reward beet farmers for higher levels of extractable sugar and to build huge storage facilities. Clark was truly a pioneer in my State's sugar beet industry.

To honor this individual and the spirit of Dakota, I ask unanimous consent that a newspaper story by Colleen Munro of the Grand Forks Herald be printed in the RECORD at this point.

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

[From the Grand Forks Herald, Sept. 29, 1990]

'FOR EVERYTHING THAT HE'S DONE FOR BEETS'

(By Colleen Munro)

MAYVILLE, N.D.—It was a perfect morning to dig beets; dry, cool and sunny. Neighbors and friends of the late Clark Ewen did just that.

In the space of a single morning, seven lifters scooped out beets six rows at a time, chewing through 200 acres of the Ewen family's sugar beet crop.

As soon as one truck was full, another was there to take its place. A line-up of more than 100 trucks, two deep, waited for their turn to get in the field, snaking through the better part of a quarter mile.

Idle truck drivers left vehicles to gather in groups. They visited about the weather. The beet crop. And Clark Ewen.

"Clark was a good friend. We're doing it as a gesture for everything that he's done for beets," says Butch Lovas, a Hillsboro farmer and friend.

Ewen, former chair of the board of American Crystal Sugar and veteran sugar beet grower, died of cancer at age 59 in Mayville last Sunday. Friends and neighbors knew he was ill, and had decided long before his passing they would give the family a hand with harvest this year.

Ewen had a reputation of being peacemaker. But he was also admired for his dedication to farming.

A couple of weeks before he died, Ewen called his friend John Freije, mayor of Mayville. He wanted to see the farmstead, and his fields, one last time. His wife, Joann, drove the truck.

So Ewen, with hospital bed, IV, nurses and all was loaded into the back of Freije's pick-up truck. He got to see the fields he knew his neighbors would be harvesting for him one last time.

Lovas, along with Mark Steinberger, American Crystal agriculturalist for the Mayville area, coordinated the special harvest.

The idea got started in August, with people calling Lovas, asking how they could help. Early in September, a letter went out describing the plan to help the Ewens lift about a third of their beet crop.

And on Thursday, KDGO radio in Fargo reminded farmers about the special effort on its harvest report. Farmers came from as far as East Grand Forks and Moorhead to pay tribute to Ewen.

Hillsboro's pre-pile havest was finished on Thursday, so the factory was open on Friday just to receive beets from the Ewen farm.

Truck drivers gathered early in the morning at the Hillsboro factory, and formed a convoy out to the field south of Mayville. A neighbor said the trucks coming around the Blanchard corner sounded like a train at 7 a.m.

Nearly 6 million pounds of beets later, by early afternoon, the harvest was all done.

The women's auxiliary of the Congregational United Church of Christ in Mayville was ready with lunch for the troops afterword.

The Ewen family was there, too, through most of the morning and for lunch.

"It sounds like a cliche," said Joann Ewen, Clark's widow. "But this is what North Dakota is all about.

She said that her husband knew and approved of the harvest.

"He knew that everyone wanted to help, knew that that's the way people do things in rural communities," Joann Ewen said.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business has expired.

ORDER OF PROCEDURE

Mr. DIXON. Mr. President, I ask unanimous consent to proceed as though in morning business to discuss matters relevant to the consideration shortly of the budget resolution and the continuing resolution when they are before the Senate.

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

BUDGET RESOLUTION

Mr. DIXON. Mr. President, as you know, and as all Members of the Senate know, and I am sure as the country knows, the House late last night—or I guess one could say early this morning because most of the work was done after midnight—passed a budget resolution and a continuing resolution that I expect are now in the hands of the Senate, or if they are not now in the hands of the Senate will shortly be here.

One of the, I think, giants in all that has occurred to date in the difficult months of discussions is here on the floor of the Senate with me, the distinguished senior Senator from Tennessee, the chairman of the Budget Committee. It will shortly become his major obligation to attempt to persuade a majority of the Senators of both political persuasions in this Chamber to act on a budget resolution and a continuing resolution that will determine the course of history for this Nation, I am convinced, for a period of time in the future.

I think many of us, even those who shrink from the task, are concerned about the chaotic result if we do not act, and I said at the conference today that I was a little amused when my wife and I, and my little grandson, my 3-year old grandson, were in Union Station Saturday night having a little pizza in a Chicago pizza parlor.

A person came up and said, "You are Senator DIXON." "Yes, sir." And he advised me that he was a constitutent of my State and said, "You know, I do not know why we are so concerned about sequestration. We have been here this weekend, and you cannot see a couple bears at the zoo, and you cannot get in the Washington Monument. Big deal."

And I thought maybe we ought to think in terms of what this sequestration really is, starting tomorrow. This is a legal holiday, Columbus Day. Were it not for these obligations, I would be in Chicago marching in the Columbus Day parade, having lunch with Joe DiMaggio, a great baseball player; later having the honor of introducing Gov. Mario Cuomo of New York State. But instead I am here, as I should be.

I would like to talk a little bit about sequestration. These figures are not inviolate, but this is information that the chairman of the Budget Committee, the President pro tempore, and others have distributed to tell you a little bit about what sequestration is.

Well, Mr. and Mrs. America, here is sequestration. Here is the alternative to acting now. In the Judiciary, a 30-percent sequester in the judicial branch would cause a release of 46,000 potentially dangerous probationers and parolees from supervision. That is sequestration.

In the Justice Department, layoffs would cause severe curtailment of criminal litigation and prosecutions under the Violent Crime Program and the Financial Institution Fraud Program. Layoffs in the U.S. Marshals Service would result in an increase of more than 3,000 felons at large into our society. Layoffs, under sequestration, would result in a 41-percent decrease in the number of investigations conducted by the Organized Crime Drug Enforcement Task Force, and would actually cost the Government money because of an estimated $294 million reduction in seizures and forfeitures.

Mr. President, under sequestration, 6,000 FBI personnel would be laid off. That would cause curtailment of investigations in the S&L fraud cases, which is the scandal in this country today, rendering a lot of those cases unprosecutable because of the fact that the statute of limitations would run out.

I hope most Americans understand what that means. I am a lawyer, and the statute of limitations is the limitation on the time in which you can bring prosecution of these cases. Drug and organized crime investigations would be restricted. Drug enforcement operations in smaller U.S. cities and rural areas would be severely restricted. Cutbacks in the Immigration and Naturalization Service would result in 5,000 fewer drug seizures and a reduction in the apprehension of 8,000 criminal aliens entering the United States.

Mr. President, that is the Judiciary and Justice Department. That is only part of the story.

You live in rural America, Mr. President, and my great State is always first or second in corn and first or second, soybeans; big competition, always, with Iowa. In the Agriculture Department, the Nation's 7,800 meat and poultry plants, employing 400,000 people, which cannot operate without Federal inspection, would have to be shut down for 137 days, while USDA employees are furloughed. The Forest Service estimates that the reduction in timber sales, as a consequence of a sequester, would result in a loss of revenue to the Treasury of one-half billion dollars.

The Food and Drug Administration, let us talk about that. The safety of the Nation's blood supply could no longer be guaranteed. Blood banks would only be inspected once every 2 years, increasing the risk of AIDS,

hepatitis, and other serious diseases transmitted through contaminated blood.

I am on the Armed Services Committee, and I am chairman of the Subcommittee on Readiness, Sustainability, and Support, very jurisdictional to what is happening in Operation Desert Shield over in the Mideast. A full year sequester would not be manageable without significant damage to the national defense. All defense agencies would have to furlough personnel. Virtually every defense procurement program would have to be cut 35 percent.

The sequester would lay off about 900 Department of Energy personnel and 52,000 contractor personnel. I have the biggest airport in the world in my State, in Chicago, Mr. President, which is O'Hare. Six-thousand flights a day at 40 major airports in the country would be reduced.

Listen to this. Rehabilitation of over 2,000 bridges and 13,500 miles of interstate highway could not be done, and 100,000 jobs would be lost in that area.

What about Amtrak? Amtrak would be brought to the brink of bankruptcy. My State depends on Amtrak. In downstate Illinois, where I come from, from city to city in small-town America, Amtrak is the way you travel. It would be brought to the brink of bankruptcy by sequestration.

In the Postal Service, preferred mail rates to nonprofit organizations, such as the United Way, the Girl Scouts, and so forth, would be discontinued. In Health and Human Services, drug abuse treatment in America would be reduced $650 million; AIDS fundings, $475 million.

Medicare claims would be curtailed, resulting in $260 million in claims in backlog. Mr. President, in sequestration, 78 million meals to older Americans would be eliminated. Social Security audit activities would have to be reduced, increasing erroneous payments by about $15 billion. Biomedical research would be reduced $3.5 billion.

Head Start would be reduced by over $500 million, eliminating help for over 185,000 kids in America. Childhood immunizations would be eliminated for 1,600,000 kids. The Department of Education would be reduced by $6½ billion. Black lung clinics—and in my State, in southern Illinois, where they mine soft coal—would serve 10,600 fewer patients.

Well, Mr. President, I am indebted to my friend, the chairman of the Budget Committee, and others, who have brought this to our attention. For those that think there is an easy vote here, Mr. President, there is none.

This is not just the bear at the zoo, and the Washington Monument, and a park you cannot go into next weekend, for change. This is very, very serious stuff. And shortly, our friend, the chairman of the Budget Committee, will take the floor, along with his distinguished ranking member, who in his time has chaired this committee. Both have performed a great service to this country, representing different philosophical views and different political parties, but representing their States and their country the best they know how.

I hope that the Senate will listen, and I hope the country will listen, while some men who have a very difficult and unpleasant job to do, lay before this body, Mr. President, the frightful alternative to passing this budget resolution, which, of course, does not require the President's signature, but, important as well, a continuing resolution which does.

I say, in conclusion, that while what some of these fine men did in leadership of the summit was rejected by the House, the goal they seek of major reductions, a total of $500 billion in reductions, both by cuts and revenue in our budget deficit over the next 5 years, is a goal very much in the interest of a prosperous, well-managed, and decently run America. And I thank them for their efforts.

Mr. President, since I see that my colleagues are not quite ready to begin their discussions on the resolution, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislation clerk proceeding to call the roll.

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

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

ORDER OF PROCEDURE

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to proceed for 15 minutes with the understanding that if either one of the floor managers of the budget resolution or either one of the leaders wishes to speak or lay the budget resolution before the Senate, I will happily relinquish the floor.

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

THE POLITICAL PROCESS

Mr. BUMPERS. Mr. President, these are indeed times that try men's souls. I have been in the Senate 16 years, and I have never seen a time that I thought was more ominous for the future of the country than now. I do not quarrel with the antipathy and the cynicism that I sense across the country toward not just Congress but the whole political process.

I think if you were to ask the ordinary citizen on the street, "Do you think you ought to kick the rascals out?" you would get about an 80-percent "aye" response.

Incidentally, I agree with that. If you could kick the rascals out, maybe we could get something done around here. But you and I both know that, at times like this, people do not make distinctions between the rascals and the good guys. One of the reasons we are in this predicament is that 10 years ago the herd instinct swept across this floor and there was no distinction between what was right and what was wrong.

I do not really intend this to be partisan, but I do want to review why we are here today. I might also say that I heard one of the network commentators Friday night say that this mess started 10 years ago. Then they proceeded to show President Reagan saying we are going to cut your taxes 30 percent, we are going to double defense spending, and we are going to balance the budget.

I do not intend to be critical of that particular network, but I wanted to say, where were you 10 years ago when there were 11 lonely Senators standing on the floor saying that those promises were nonsense?

The next night I heard a network correspondent say, after the President vetoed the continuing resolution, that he had turned the heat up on Congress. Nobody said, "The President is being irresponsible. That this is going to shut down the Government." His veto was not to assure a sequester. It would shut down the Government, all Government. It would make one yearn to live in Eastern Europe if that took place.

That evening on that same network, the commentator implied that Congress cannot get its work done, cannot do anything. And yet it was the President's own party that killed his budget in the House.

Going back 10 years ago when this whole thing was set in motion, I am reminded of a good friend of mine who used to be in the House of Representatives. His name is Ray Thornton. He was president of the University of Arkansas. He was president of the University of Arkansas at the time this Reagan proposal, so-called supply side economics, came into vogue in 1981. Ray said to his father-in-law one day, "The President says he can cut taxes by 30 percent, double defense spending, and balance the budget." He said his father-in-law said, "What a dynamite idea. I wonder why nobody ever thought of that before?"

We have $3½ trillion in debt now to show why nobody ever thought of that before. It made no sense then. I have a speech here that I made on July 29, 1981—I am not sure that was the day we voted, but I think it was—in which I simply said you pass this bill and you are going to create deficits big enough

to choke a mule. And we passed the bill and we doubled defense spending and we created deficits big enough to choke a mule.

Mr. President, do you know what that bill has cost the Treasury? I can remember pleading at that time. I said I will support a 5-percent tax cut but we do not have to do this all at one time. We are going to be here next year and the following year. Let us proceed with some caution here. But, as I say, I have never seen the herd instinct sweep across this floor quite like it did that day.

These are President Bush's figures that he submitted to us this year in his budget. As of this year, 1990, which ended September 30, that tax cut cost $1.763 trillion. Even with all the tax increases we have had since then, the net loss from that tax cut of 1981 is still well over $1 trillion.

Listen to what Mahatma Gandhi said:

> Performance of one's duties should be independent of public opinion. I have all along held that one is bound to act accordingly to what one appears to be right even though it may appear wrong to others. I admit that there is always a possibility of one's mistaking right for wrong and vice versa, but often one learns to recognize wrong only through unconscious error. On the other hand, if a man fails to follow a light within, fails to follow the light within, for fear of public opinion or any other similar reason, he would never be able to know right from wrong and in the end lose all sense of distinction between the two.

A lot of politics is involved in what is going on right now. So far as I am personally concerned, I do not like this budget resolution. I like it better than the one the House defeated the other night, but I do not like a lot of the provisions in it by any means. I will do my very best at the proper time, to change some of the priorities.

Defense spending, in the allocation of this budget, is higher than either the House or the Senate figure. Now I could wax and wane for an hour about that and I know some of my colleagues are also deeply disturbed by that defense number. By the same token, I would remind them that we all had a chance to cut defense when the defense authorization bill was on the floor, but we did not, and indeed, could not.

I would also remind you that the defense appropriations bill is coming through here sometime in the next 2 weeks and everyone will have a chance to offer cuts. I am going to offer an amendment to cut SDI by almost $1 billion. Others will attempt to eliminate the B-2 bomber. Some people will say we ought to bring 100,000 men home from Europe immediately. I have spent the last 3 years trying to get our forces in Korea reduced.

We have 50,000 men in Japan; 40,000 in Korea; 300,000 in Germany. And they cost billions of dollars. We do not need 50,000 people in Japan. Japan makes a contribution, but it is a pittance compared to what it costs us. And the same way with Korea. The Koreans make a small contribution but South Korea has twice the population of North Korea, 10 times the GNP rate, and we have 40,000 people there to defend South Korea. What kind of nonsense is that? The point I want to make is that everybody is going to have an opportunity to reduce that defense figure if they want to.

My problem, I should say problems, with the first budget resolution, included the gas tax, cuts in Medicare, and cuts in agriculture. Arkansas has the highest consumption of gasoline per registered vehicle in the country. That gasoline tax was devastating. We are No. 2 in the percentage of our people over 65, just behind Florida. And we are still an agriculture State, and farm programs were devastated under the budget proposal. I am glad it was defeated.

But in the final analysis, Mr. President, my really strenuous objection came when I saw the figures that showed people who make $10,000 a year—that is below the poverty line—7½-percent tax increase while people who made over $200,000 a year got a 1½-percent tax increase.

The only thing I could find in the Washington Post yesterday that I found very interesting was an article by Lester Thurow, the very esteemed, well-known and thoughtful economist at MIT. He laid it out so perfectly. Not only did he talk about the regressivity of that budget resolution, he also said that $40 billion, in light of a $290 billion deficit, is nothing. And that is true.

We are going to have a heck of a time getting a budget resolution through that will cut $40 billion in the year 1991. Even under Gramm-Rudman accounting, the deficit, after you cut $40 billion, will still be $250 billion. If you add Social Security and the trust funds, the deficit, after we have labored to cut $40 billion in spending and raise that much revenue, will be $390 billion.

The other day I was driving down Pennsylvania Avenue, and I saw a group of people in front of the White House. They had signs saying, "Tax the Rich." I thought, what a strange looking group of people. They did not look like the far-out kind who are concerned about income distribution in this country or the terrible disparity of wealth that has gone on a rampage in the last 10 years; they were well-dressed people. So I stopped and talked to a man. I said, "You favor taxing the rich?" He said "Yes." I said, "Who are these people?" He said, "They are rich people. These are all people who make $200,000 or more. We are tired of the White House pandering to us. We are patriots; we love America, too. We are concerned about this country and our children's future, just like everybody else."

I said, "Well, you have certainly got a friend in the White House. He does not think you ought to pay taxes." He said, "That is just it. We consider it rank discrimination against us."

I said, "Really?" He said, "Yes." And I said, "Well, have you seen the President?" He said, "No."

"Is this the point you want to make with him?"

"Yes."

I said, "Well, I wish you well," and I started to walk off. And I have already told him who I was, and he said, "Senator, just one other question. Who is NEWT?"

I said, "Who is NEWT?" "Yes," he says, "I see in the press all the time where everything has to be run by NEWT. They think he will approve it or he will not approve it." He said, "I voted for Ronald Reagan twice, and George Bush once, but I have never voted for anybody named NEWT."

So I told him who NEWT was.

That is just an Art Buchwald spoof. None of that ever happened. But I thought, what an interesting thing it would be if it did happen. Because, you see, I happen to believe that even though the wealthy people of this country do not enjoy paying taxes any more than I do, you give them a choice of doing their share in this budget or watching this country go down the tubes and they will choose to do their share. They love America. Most of them have done extremely well under our system. Unhappily, nobody ever asked them for very much.

Mr. President, while I do not like this resolution, I am going to vote for it. I really do not like this resolution. I can give you 20 reasons not to vote for it. I do not like the defense number; I do not like the agricultural numbers; I do not like anything else in it, much. But there is one thing about it. It has one benefit that the other one did not. We will have an opportunity to amend it and change it the way we want it, and put some progressivity in the taxes that are going to be raised here. While the defense number is very high, it can be reduced. It is a ceiling, not a floor.

I am also going to vote for it because I know that people across the country are saying this place can not function. They are saying this is just like that shortstop position that Leo Durocher talked about. Durocher pulled his shortstop out of the game because he had let three successive balls roll between his legs. He said, "Take the bench; I am going to show you how to play shortstop." The first ball went right between his legs and he came back to the dugout and he said,

"you've got that position so screwed up, nobody can play it."

(Disturbance in the Visitors' Galleries.)

Mr. BYRD. Mr. President, may we have order in the gallery. There are not to be any demonstrations of approval or disapproval in the galleries.

The PRESIDING OFFICER (Mr. BRYAN). The Senator is correct. Order in the galleries.

The time of the Senator from Arkansas has expired.

Mr. BUMPERS. My humor is irresistable, Mr. President.

Mr. BYRD. Mr. President, will the distinguished Senator from Arkansas yield?

Mr. BUMPERS. Yes, I am happy to yield.

Mr. BYRD. The Senator from Arkansas referred earlier—and I beg his pardon for interrupting him—he referred earlier to the defense numbers. It may be that he is laboring under a wrong impression. Or it may not be.

Mr. BUMPERS. On the defense numbers?

Mr. BYRD. Yes.

Mr. BUMPERS. Senator, the figure I saw, I thought I saw, and I may have looked at the wrong line, was $297.1 billion, I believe.

Mr. BYRD. I thought the Senator might be referring to the numbers that appear in the RECORD of yesterday, the House of Representatives, October 7, page H9143.

Mr. BUMPERS. What page is that on this resolution before us, Senator?

Mr. BYRD. I am not referring to the resolution right now. I think, from what I gather by the answer of the Senator, that I am not—he and I are talking about the same basic figures. I would like to refer to the figures that are on page H9143 of the RECORD of October 7, yesterday. The CONGRESSIONAL RECORD of the House. These numbers, I believe, were referred to in the conference, the Democratic conference today in the Senate.

I wanted to correct those numbers, for the RECORD. I thought the Senator might be referring to them and that is why I interrupted him. If he is not, I can wait until later.

Mr. BUMPERS. Senator, that is quite all right. I was looking at the same page you are looking at now and the budget numbers, 050, national defense. It shows budget authority for 1991 of $288.3 billion, and outlays of $297 billion.

Mr. BYRD. Yes.

Mr. BUMPERS. It was my understanding that this budget resolution had a cap of $297.1 billion. This is the first budget that came to us, is it not?

Mr. BYRD. What I would like to do, I would like to call the attention of the Senator to the numbers for fiscal year 1994 and 1995. He will note that in 1994, the figure for our budget authority for national defense is $351.5 billion, and in 1995 $364.9 billion, and for outlays in defense, $341.7 billion in 1994 and $351.1 billion in 1995.

I am sorry, because I do not now believe, as I listened to the Senator, that he was referring to those figures. But if he had been, I wanted to call to his attention that those figures are in error.

Mr. BUMPERS. They are in error?

Mr. BYRD. They are very much in error. Let me give the Senator the correct figures. Instead of $391.5 billion for fiscal year 1994 in budget authority for defense, the correct number would be $292 billion.

Mr. BUMPERS. In outlays?

Mr. BYRD. In budget authority.

Mr. BUMPERS. For 1991?

Mr. BYRD. For 1994. I am talking about 1994 and 1995, where the figures are grossly in error.

Mr. BUMPERS. Is the Senator saying the budget authority for 1994 is $282 billion?

Mr. BYRD. I am saying it is $292 instead of $351.5, as shown in that table.

Mr. BUMPERS. How on Earth did this happen? I do not understand.

Mr. BYRD. These are the nonbudget authority figures that were in the bill as passed by the Senate. So let me finish, if the Senator will allow me. Let me finish making the corrections. Instead of $351.5 in 1994, for budget authority under 050, national defense, the correct number is $292.0. In other words, a difference of $59.5 billion. And 1995, instead of $364.9 for budget authority, national defense, the correct number is $295.0; in other words, a difference of $69.9 billion.

Then for outlays, instead of $341.7 billion, as shown in the CONGRESSIONAL RECORD of yesterday, for 1994 the correct number is $290.0.

In other words, that is a difference of $51.7 billion. And for fiscal year 1995, instead of $351.1 billion in outlays for national defense, the correct number is $291.0, a difference of $60.1. So the conference agreement figures for defense printed on page H9143 of the CONGRESSIONAL RECORD of yesterday, October 7, 1990, misstates the defense budget authority and outlays for fiscal year 1994 and 1995 by the amounts that I have stated.

Mr. BUMPERS. That is very enlightening, and I appreciate that. As my colleague knows, I do not mean to reveal anything said in the caucus. He knows those numbers were bandied around in our caucus today, and there are some misperceptions.

Mr. BYRD. There were, and the reason I did not attempt to correct them then was because I did not have the correct figures at my fingertips, and I had to wait until I could secure those.

Mr. BUMPERS. I thank the Senator very much. I am pleased he interrupted me to clarify.

Mr. BYRD. I thank the Senator for the service he is performing, and I thank him for allowing me to interrupt him, which I very much regret having to do. But I felt that he was laboring under a misimpression because of these figures, and even though he was not even at that point, I thank him for giving me the opportunity for correcting them.

Mr. BUMPERS. I will close. I assume there are others who wish to speak while we are still waiting for this budget resolution to be laid down.

Let me just mention, Mr. President, the attitude of people across the country. We cannot blame the American people for what can only be described as a highly distrustful, cynical attitude about Congress.

As I have said on this floor many times, we all feel that the President shares a large part of the responsibility for whatever is going on here because of a lack of leadership. But that is not satisfactory to the people. They believe that the country is stagnant economically, that the deficit is going to ultimately result in our trading partners demanding that we pay them in marks and yen instead of dollars, as terrible as that may sound.

The Japanese have sold more American debentures since January 1 of this year than they purchased by a large margin. The Germans are engrossed in a terrible expense, close to a trillion dollars, probably, before it is over, in absorbing East Germany.

The economy is stagnant and cannot move as long as interest rates stay where they are. This budget resolution does not go far enough. And it certainly does not arrange priorities to suit me or the people in my State. But they expect, and they have a legitimate right to expect, this body to do something about the deficit.

If we want to see the stock market, which has been so volatile in the past 60-90 days, settle down, we must come up with realistic figures in this budget resolution and show the kind of resolve that people have a right to expect of us.

The people on Wall Street and the money managers across America are not dummies. They have analysts all over this town saying, "What does this mean? Is it real? Are they really serious about reducing the deficit? Are they going to finesse the problem yet one more year?"

You saw the market the other day. I spoke to a group of bankers downtown on Monday after the budget summiteers announced the budget proposal on Sunday. I told that group of bankers that the market would go up probably 100 points that day. As it turned out, it only went up 63 points. And I also predicted it would start south again as people began to realize that the budget resolution was not ade-

quate, and especially that it was going nowhere.

So, Mr. President, I am going to support something that I do not much like because the alternatives are too ominous to even think about. Let me give an illustration. I have heard the Senator from West Virginia describe what will happen in case of a sequester. Let me tell my colleagues what it will do just in one instance in my State.

We are, by far and away, the biggest grower and processor of broilers. We have 12 big poultry plants in our State. One out of ten people in Arkansas work for the poultry industry or in related industries. We have 24,000 people working in poultry processing plants.

Tomorrow morning at 7 o'clock when those poultry plants would normally open, if we do not take action tonight, 24,000 people will be without jobs because they cannot process a single chicken unless there are Federal inspectors there. And the thousands of meat and poultry inspectors across the country will be without jobs tomorrow morning at 7 a.m., and 24,000 people in my State will be out of work just in the one industry.

Do my colleagues also know that the President wants us to pass some kind of a $40 billion sequester when we pass a continuing resolution to send to him. The word sequester doesn't mean much to most people. We talk about sequester on the floor, but many folks do not know what that means. They just know that they do not want to lose their jobs, and that they have bills they can't pay if they do.

The poultry industry is highly programmed. We have hundreds of millions of eggs being set every week in this country. From the time that egg is laid, they can tell you when that chicken will come off the processing line about 10 weeks later. There are hundreds of millions of chickens in chicken houses and they have to move on a given day at a given hour.

If we shut those plants down, not just in my State but all over America—beef packers and poultry processors—everything starts backing up. We will have a backlog of chickens that will be catastrophic to that industry.

If that happens in just one industry, with which I happen to be totally familiar, and we compound that with all the other things that would happen in the country, just imagine the result. There will be no drug enforcement. Thousands of felons on parole will be unsupervised. The list goes on and on. We will lose more by the chaos that results than we will ever save with a $40 billion sequester.

If the Government is shut down, within 2 or 3 weeks time I promise my colleagues that the poultry people will owe no taxes this year. That is how devastating it would be. So if we pass a continuing resolution and a budget resolution, and the President chooses to veto it, I will let him explain his action. I am going to do my duty this afternoon and try to avoid a shutdown. I am entitled to dislike this budget and yet vote for it, because I think it is essential as a responsible Senator not to let this shutdown happen. If the President says, "I want every 't' crossed just so, and every 'i' dotted just so, or I am going to veto it," let him explain it to the American people.

I do not know the President well. I knew him better when he was Vice President than now. He never invites me over for dinner, but I like him personally. I think he is a decent man. He is not without compassion.

Surely he is not going to stand on ceremony or on some devious mythical political proposition that this is the way to show his leadership skills; that he lets this country literally go into chaos tomorrow. It is a very ominous thought, is it not, Mr. President?

So I am hoping we get this budget resolution laid down, debated and voted on. I do not see that I have any choice, quite frankly, but to vote for this resolution. I do not think anybody else who really wants to be responsible does either because the consequences are too great.

Mr. President, I think the Ways and Means Committee and the Finance Committee are very likely to raise income tax rates and come back saying that in the future for wealthy people who make $170,000 or more, the tax rate will not go from 33 percent back to 28 percent. In the future, the rate will stay at 33 percent. That produces quite a bit of money. The argument will be made on this floor that if you do that, this economy, which is already stagnant and teetering, will go into a depression.

I used to buy that argument, and I think it has some credibility. But I also think a lot of people use it just to make sure taxes are not raised. There is a novelist, and I cannot think of his name now, who said he grew up in a household where Franklin Roosevelt was considered the biggest pariah ever to come down the pike in this country. He said his father was still cussing Franklin Roosevelt 30 years after he died because of all the taxes he had imposed. He said his father used to say, "Do you realize that Bing Crosby has to work for 6½ days before he ever makes a dollar for himself?" Back when Bing Crosby was working 6½ days a week to pay his taxes, he was making about 1,000 times or more in that half-day than my father was.

I was taught that Franklin Roosevelt was our savior because we got pure water. We got sewage facilities. We got REA. My father was a small-town hardware dealer. He could sell refrigerators and radios to country people who had never known those kinds of luxuries. So you can imagine how people in my household felt about Franklin Roosevelt.

I know all those arguments about not raising taxes because it will really speed this recession into a depression. I do not believe that any more than I believe that it really hurt Bing Crosby to pay his taxes. He still died with quite a bit of money.

And you tell me this. Since August 2, when Saddam Hussein invaded Kuwait, how is it that we are willing to pay in excess of $100 billion a year, for the increase price of oil in this country, in excess of $100 billion a year on an annualized basis—and a lot of it is going to people that we are not especially fond of—right out of the American consumer's pocket? They tell you that $40 billion, or $50 billion, or even $60 billion in increased income taxes over a 5-year period will send the economy into a tailspin. Yet you do not hear a peep, not a peep, not even a suggestion that we conserve energy in order to get the price down; not one single national appeal to even carpool to try to get oil prices down. We are going to cough up about $110 billion a year just for the increased price of oil since August. Yet some will say, "Yes, but you cannot call on the American people to pay any more in taxes, especially the wealthy."

For Senators who are concerned about the defense figures, let me reiterate that you will have two golden opportunities between now and the time that we leave here to do something about those numbers. I was pleased that the distinguished senior Senator from West Virginia pointed out that these figures in the CONGRESSIONAL RECORD are in gross error and the figures look much, much better than they did.

Mr. President, I had a letter from a man the other day. It is a common kind of letter we all get all the time: "Why don't you all stop that spending?" he asked.

Spending is always a question of priorities. One man's program is his livelihood, another is perceived by that same person as a boondoggle. Gerald Ford, in the only spate of humor I ever heard from him, said it did not take him long after he came to the Congress to realize the virtue and necessity of those magnificent projects out in Michigan and those boondoggles down in Arkansas. We are all that way, are we not?

I wrote this man and I said, "If you are really concerned about spending, do you want to cut student loans?" "No." "Do you want to kick Aunt Sarah out of the nursing home?" "No." "Do you want children to go unimmunized?" "No." We are going to lose 60, 70 children this year to measles. Three, four years ago a measles

death was unheard of in this country. We thought we had it conquered. Eight million children will die around the world this year just because they do not get the immunizations that are available to Americans.

What do you want to cut? The President said in his joint session address that the deficit will be $100 billion. He said it was now under control; that we would grow out of it without increasing taxes. That was all in only one sentence.

Four months later Dick Darman said that these had been a slight miscalculation; that the deficit was $150 billion. They made a little miscalculation. Three weeks later they admitted another miscalculation; it was going to be $170 billion. And now we know it is going to be $291 billion. Those are some pretty hefty miscalculations—triple the original estimate.

I might also say, in a partisan way, somebody always says something sounds pretty partisan to them. So be it. The President said the other day he was tired of Congress throwing phony figures around after he told us in January the deficit would be $100 billion for next year.

I wrote this man back, and I listed a whole host of things that I knew he did not want to cut. He does not want to cut Medicare. He does not want to cut Medicaid. Do you know what Medicaid is? That is health care for the poorest of the poor people in the country. We have 38 million people now with no health care coverage. He does not want to cut Medicaid. He does not want to cut Medicare.

Listen to this, Mr. President. If you just fund defense, Social Security, Medicare, Medicaid, interest on the debt, civil service pensions, and veterans pensions, just fund those seven and do not cut spending, for the other 493 functions, eliminate them, eliminate the FBI, eliminate Congress, eliminate the judiciary, the Federal prison system, the Drug Enforcement Administration, agriculture programs, eliminate all of those and just fund seven, you still have a whopping deficit.

I wrote this man back and I said, President Bush wants to go to Mars. Do you know what that costs, Mr. President? Five hundred billion dollars. He says cut all that spending, but he wants to go to Mars. Five hundred billion for that. He wants a space station, and we just appropriated $1.2 billion last week to continue the space station.

Did you hear any of that debate? When we started in 1984, the space station was supposed to cost $8 billion. The conservative estimates today are $32 billion. The space station has gone up in estimated cost by 80 percent every year since 1984; worse than the B-2 ever thought about.

But the President wants it. I tell them they might write the President about the so-called superconductor super collider, that physicists want to discover the origin of matter. I must confess as a political science major and lawyer I am not curious about the origin of matter. But I am glad somebody else is. The super collider started out at $5 billion. It is now up to $12 billion, and it is barely on the drawing board. Those are all exotic things that I divinely wish that we could afford. But you tell me. Is this deficit which threatens the economic fabric of this great Nation more important than these nice curious things that we would like to know?

And the Swiss, and I believe the Japanese, and a couple of other countries, have a super collider of their own going in Switzerland. There is a very good possibility they will find the answers to these questions after we have spent about $10 billion or $15 billion but before we even complete construction of our facility.

So when we start talking about controlling spending, it always depends on the question of priorities. There are people in this Senate who are as sensitive as I am about their children, about the future of this Nation. I think about Philadelphia. In 1787 there was the greatest assemblage of minds ever in the history of the world. That is not just according to me. That is according to everybody.

I said on the floor the other day, and it bears repeating. Alfred North Whitehead, a great British philosopher, said that only twice in the history of the world has man set about to do something and came as close to succeeding as was possible. One was the reign of Caesar Augustus, and the other was the drafting of the U.S. Constitution.

What has happened? In 203 years, what has happened? How many of you watched "the Civil War" the other evening, that magnificent documentary by Ken Burns? I have always been a Civil War buff but I never really felt in the fiber of my body the feelings that both sides had. It had always been sort of a clinical observation with me. But seeing and hearing David McCullough narrate that program on the Civil War, I felt for the first time the chill, the exhilaration and the excitement. The South thought they were going to decimate the North overnight. The North thought the war would be over in 90 days. All of a sudden, at First Manassas the bodies were on the wagons, and blood was everywhere in full view of all the socialites from Washington who had gone out to watch this massacre.

If Robert E. Lee had been the Northern commander, the war would not have lasted a year.

The man from Illinois was almost a laughingstock in his hometown—tall, gangly, high-pitched voice—never succeeded at much of anything. Finally, he got himself elected President because everything was so confused. It was a chaotic situation that brought him to power. Think about the greatness of this man, steering this country through easily the most traumatic event in the history of this great Nation. And he held this Republic together. He even said he would accept slavery if that would preserve the Union.

Then I could name some other heroes, certainly one of which was Franklin Roosevelt. Harry S. Truman is another. Here at a time when we are trying to get bipartisan support, I think about what on Earth has happened to leadership in this great Nation?

I was dead wrong about Harry S. Truman. I was a student at the University of Arkansas when he was president. I was embarrassed by him. I was just a kid, just a youngster. He wore those steel rimmed glasses, plastered his hair down with Vaseline hair tonic, had a nasal twang voice, and could not coordinate his words with his hands to save his life.

When he called up a music critic who criticized Margaret's singing, he called him an SOB. I was a little embarrassed that the President of the United States would use a term like that. I could not believe it until my daughter was born, and then I understood exactly how old Harry felt. Think about how that man on the advice of George Marshall, Averall Harriman, Clark Clifford, and other people that he surrounded himself with decided to implement the Marshall plan. His advisers said, "Mr. President, Europe is going to go to the Communists. We have devastated Europe. They are our enemies but if we do not want them to go Communist, we have to give them some help."

Harry Truman did not waste 10 minutes in making one of the most monumental decisions ever made in the history of the world. Think about what rich dividends we are collecting off that right now. Eastern Europe has folded because they want to be like Western Europe. Western Europe is where it is because of the Marshall plan. And the Marshall plan was there because of Harry Truman, who left office with a lower approval rating than Richard Nixon had when he left office.

The PRESIDING OFFICER. The Chair informs the Senator from Arkansas that the time originally requested by him has expired.

Mr. BUMPERS. By about 30 minutes Mr. President. I ask unanimous consent for 1 additional minute.

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

Mr. BUMPERS. I am sorry I took up so much time. There are some distinguished colleagues here who wish to speak.

I strongly urge all of my colleagues to not just look at a particular item that bothers them in this budget proposed. I can certainly understand why they could do that. Believe me, I understand it.

I just pointed out to you a moment ago what that first budget resolution would have done to my State. But we simply cannot allow this Nation to fall into a state of chaos and anarchy starting tomorrow morning at 7 o'clock because there was some little part of this that we did not like.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, will the Senator allow a 30-second observation? I mean it as a compliment to the Senator from Arkansas. Back in 1981 he was 1 of the 11 who had the foresight to vote against the fiscal runaway train that got us here. I compliment him for that.

I would also note that unpopular as that vote was at the time for those 11 Senators, 7 still serve here, and 4 are retired at a time when each one of them could have easily been reelected but simply retired from the Senate.

So the Senator from Arkansas was right then, and the Senator from Arkansas is right today.

Mr. BUMPERS. I thank the Senator very much for his kind remarks.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. We are in morning business at this time; is that correct?

The PRESIDING OFFICER. We are not. The Senator can make that request.

Mr. WIRTH. I ask unanimous consent to speak as in morning business for 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hearing none, it is so ordered.

Mr. WIRTH. If the leadership comes on the floor on the budget debate, we will move to that.

THE BUDGET

Mr. WIRTH. Over this last weekend, I had four airplane trips back and forth to Colorado. I flew out to Colorado on Friday night, had a very important speech there on Saturday morning, heard that we were going to vote in the Senate perhaps Saturday afternoon, flew back here and found there was not a vote, flew back to Colorado on Saturday night and came back early this morning for deliberations here this afternoon.

That comes with the turf. We all know the uncertainties of scheduling. I bring that up not for the purpose of saying that there is confusion about this, because we all knew about that, but rather to reflect on the fact that I saw an awful lot of people in a lot of different places over the last 72 hours. I cannot tell you how much hostility there is out there. I was asked over and over again, at the ticket counters, walking through airports, waiting outside, everywhere, "When are you all going to get your act together? When are you going to get together and make the decisions that have to be made for this country?" Mr. President, over and over again, they said, "for this country."

I was struck, as I had a lot of time on airplanes to think about this, to think about what we were doing and where we were going. I found myself musing on the Civil War drama that so many of us saw last week, in which it was very clear on both sides there was a tremendous sense of national resolve, a tremendous sense of shared value, a tremendous sense of purpose. People knew who they were, who their neighbor was, what ought to be done, and where we ought to go.

How familiar that drama was. And yet how far away, both in terms of being well over 100 years away, and how very different that is from today, in the distinct lack of shared values and lack of a shared national resolve.

The other time, coming closer to my own experience, is the post World War II era in which, again, we came out of that war victorious as a nation, but also with a tremendous sense of shared values, a tremendous sense of shared concern, a tremendous sense that we had national responsibilities to be fulfilled, and that those would require a significant amount of sacrifice.

In both of those situations we made that sacrifice, we reflected, and accurately worked upon that foundation as a Nation. How far we are from that today.

We are now engaged not in a great Civil War, but in a great battle, where we have allowed ourselves to become polarized on fundamental interpretations as to what we ought to be doing here.

On the one hand, there are those who say there is no way in the world that we can look at the crisis that we are currently in and deal with that with brevity. We cannot raise taxes, cannot move into the situation and pay for what we are voting to do. We cannot pay for the space station, cannot pay for Social Security, cannot pay for defense; just run up the deficit and do not pay for it.

Taxes are not on the table. We were told that we could not do anything like that; we were told 10 years ago. In fact, everything is going to be better off if we dramatically cut tax, taken away our ability to pay, which is a politically popular resolution, sounds good, if we say it fast enough, and we did at that point. But the chickens are coming home to roost.

While that is going on, we have, on the other hand, a sense that somehow the Government is going to pay for an endless number of programs, and we are going to index all of those, and there is going to be a sense of expectation that all is going to be met by the Federal Government. Do not worry about paying for it. But those programs are going to be ratcheted, retirement programs and medical programs, civil service programs, and all of these marching inexorably step by step by step, eating us alive. There are no revenues to pay for these, Mr. President, and no willingness to talk about them. And there is no stop to this endless escalation of programs and no willingness to talk about that either.

So we have this divergent approach in which one group is going this way, another that way, and we compound the problem by saying we are going to spend enormous amounts of money on defense.

So the problem is getting worse and worse and worse, and that is where we are today. The result of this is this huge budget deficit that we are now facing, and suddenly reality is coming home, and reality that many of us predicted in 1981, when we began to move in this direction. That reality is now coming home. The deficit has increased from $1 trillion in 1980—and it took us 200 years to build up that deficit, $1 trillion in 1980—to $3.5 trillion now. We have tripled, in a decade, the deficit of the United States. Interest on that deficit is escalating just as rapidly.

Those who warned us of that were told that was anti-American, antifree enterprise. But the drift has gone on for the last decade. The debt has gone up. Interest on the debt is now the second largest item in the Federal budget.

Our dependence on foreign capital has increased dramatically in a very dangerous way. Foreign ownership is gnawing away at a whole part of America. We can continue to sell off America to pay this debt, but that is very poisonous for our future.

Research and development has declined. Certainly our ability to invest in ourselves has gone away. We are all familiar with the horrors of the S&L scandal, when we said we could deregulate industries, get the Government off their back. That is costing us hundreds of billions of dollars.

I hope, behind that, the reality does not set in on the insurance system, or the banking system, and that we do not have a similar kind of problem.

In addition to these check problems, the other issues are right out there everybody is familiar with, if we are willing to address them. The gap between

rich and poor is greater today in the United States than ever in our Nation's history. The percentage of wealth controlled by a few at the top, is greater than it has ever been before, and that gap is growing and getting worse, and with that, we are inviting social dynamite and severe problems.

The drug issues pervade our cities and the country. Education remains unattended, as it ought to be attended. It ought to be looked at, our very survival depending upon the opportunities we give to people in this society, and our ability to compete with people all around in an increasing global economy.

I have very deep concerns about this, Mr. President. Our country appears to me to be in a drift on all of these accounts. We are being asked now to finally cope with it, finally in this resolution to think about what we want to do.

I was asked on all of those trips, "What are you doing for the country, for our country; what kind of national decisions have to be made?" That is what we are up to now. We are down a slick log, Mr. President. That is going to happen within the next few hours, as we vote on this budget resolution, which I desperately hope that we support. We should do it. I would have voted for the earlier budget resolution, Mr. President, had that come over here from the House. I have consistently voted for these as a member of the Budget Committee and will continue to do so, to try to move down this deficit.

Finally, Mr. President, I started with reference to where we were in the Civil War in a sense of national resolve, where we were after World War II in a sense of national resolve. Again, we want to learn from history, Mr. President.

Let me close by citing a piece written by Paul Kennedy, a Dilworth professor of history at Yale, who wrote a book that had a great impact on the country a couple years ago, "The Rise and Fall of the Great Power." He reminds us about the need to attend to the fabric of our own economic health, not to neglect it. Let us learn from history. In commenting about the situation in the Middle East, Mr. Kennedy wrote in the London Times earlier last month:

Yet this focus on military capability, or on national will-power, may obscure rather than illuminate the larger question of America's real position in world affairs and the critically important, non-military dimensions of national power. If we allow this to happen, we will be repeating the blindness of many earlier great powers engaged in large-scale military operations abroad.

Consider, for example, Spain's decision in 1634 to send a powerful army into Germany to join its beleaguered Austrian Habsburg cousins during the Thirty Years War. Its infantry and generals were first-rate, its deployment (from Spain, via Milan, the Alps, the upper Rhine) swift and professional, its troops moving to the battlefront from a wide array of Spanish bases and possessions.

No other European nation at the time could equal such force projection; Spain, it was clear, was still number one militarily. Yet in the non-military dimensions of power it was beginning to sag badly: massive debts, inefficient industries, reliance on foreign manufacturers, vested interests that debilitated rather than strengthened.

Little attention was paid to those features in the excitement of watching the glittering Spanish battalions pour into the Rhineland. By the 1640's, however, the suspension of interest payments and declarations of bankruptcy by Spanish kings revealed the decline of Spanish power.

Or consider the stupendous British force projection in the South African war, 6,000 miles from home, at the turn of the century. Before that war was won, the British had poured in more than 300,000 troops from all over the globe—India, the Near East, Australia, Canada and Britain itself. Simultaneously, the Royal Navy controlled the sea lanes: British cable communications had a world-wide monoploy; no other contemporary power could equal its global position.

In the upsurge of British patriotism, however, it was easy to forget the other part of the story: the inadequate educational system, the meagre levels of investment, industry's growing uncompetitiveness, the vast trade deficit in manufactured goods. Those weaknesses would one day cause the collapse of British power.

Is there a lesson here for the US? Many will doubtless claim that America in 1990 is not like Spain in 1634 on Britain in 1900. (And they will be right: no two countries in history are ever alike.) But that misses the basic point, which is that to remain number one generation after generation requires not just military capability, not just national will, but a flourishing and efficient economic base on which the nation's military strength ultimately rests.

The lessons of history have to be there for us and they are right in front of us today. The vote that we have and our willingness to start the process of making the difficult decisions on this deficit are going to be with us right now.

I hope we pass this resolution, and this is going to be easy tonight, Mr. President; this is an easy decision. We just are setting overall targets in this budget resolution. This is easy. Then we have to enforce it with very specific pieces of legislation related to raising taxes, related to moving in on entitlement programs, dramatically, and I hope more than in this resolution, cutting defense spending; less on defense and more on education, which I think is part of what this ought to be all about.

Those are the more difficult decisions we have to make, and we have to get on with those, as well, not, I would hope, concerning ourselves with what that poll might be, but doing what people asked me as I went across the country over this last weekend, asked me over and over again, "What are you doing for the country?"

For the country, we must support this budget resolution. We must get on with this process. If we do not, we have reason to suspect that the American public is reacting and should react in a very dramatic way to what is going on here.

Thank you very much for your courtesy, Mr. President.

I ask unanimous consent that the full article by Professor Kennedy be printed after my remarks in the RECORD.

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

[From the London Times, Sept. 1, 1990]

DISPLAY OF MIGHT, BUT A GULF WITH THE POWER THAT COUNTS

(By Paul Kennedy)

Among the responses to the Kuwait crisis in the American media and among strategic analysts, one of the more prominent has been a sense of satisfaction at the rapid projection of US military force halfway across the globe. After all the worrying talk of decline, it is clear once again that only America has the capacity to dispatch large military forces to Saudi Arabia, to deter further Iraqi aggression and preserve international order.

By comparison, the Germans and Japanese, touted as the new economic superpowers, have failed the basic test; the European Community has again displayed the weaknesses of not being a unitary state; a weakened Soviet Union is playing a marginal role.

America is still number one, the actor dominating the world's stage. Far from displaying imperial overstretch, it has robustly demonstrated its quasi-imperial power. The only worry at present is whether the American public has the will to support a conflict that might be long and bloody.

Yet this focus on military capability, or on national willpower, may obscure rather than illuminate the larger question of America's real position in world affairs and the critically important, non-military dimensions of national power. If we allow this to happen, we will be repeating the blindness of many earlier great powers engaged in large-scale military operations abroad.

Consider, for example, Spain's decision in 1634 to send a powerful army into Germany to join its beleaguered Austrian Habsburg cousins during the Thirty Years War. Its infantry and generals were first-rate, its deployment (from Spain, via Milan, the Alps, the upper Rhine) swift and professional, its troops moving to the battlefront from a wide array of Spanish bases and possessions.

No other European nation at the time could equal such force projection; Spain, it was clear, was still number one militarily. Yet in the non-military dimensions of power it was beginning to sag badly, massive debts, inefficient industries, reliance on foreign manufactures, vested interests that debiliated rather than strengthened.

Little attention was paid to those features in the excitement of watching the glittering Spanish battalions pour in the Rhineland. By the 1640s, however, the suspension of interest payments and declarations of bankruptcy by Spanish kings revealed the decline of Spanish power.

Or consider the stupendous British force projection in the South African war. 6,000 miles from home, at the turn of the century. Before that war was won the British had poured in more than 300,000 troops from all

over the globe—India, the Near East, Austrialia, Canada and Britain itself. Simultaneously, the Royal Navy controlled the sea lanes: British cable communications had a world-wide monopoly; no other contemporary power could equal its global position.

In the upsurge of British patriotism, however, it was easy to forget the other part of the story; the inadequate educational system, the meagre levels of investment, industry's growing uncompetitiveness, the vast trade deficit in manufactured goods. Those weaknesses would one day cause the collapse of British power.

Is there a lesson here for the US? Many will doubtless claim that America in 1990 is not like Spain in 1634 or Britain in 1900. (And they will be right; not two countries in history are ever alike.) But that misses the basic point, which is that to remain number one generation after generation requires not just military capability, not just national will, but a flourising and efficient economic base on which the nation's military strength ultimately rests.

This, then, is the larger irony of President Bush's bold commitment of strong American forces to Saudi Arabia. The cause may be just, the deployment impressive and the actual fighting by US forces—if it comes to that—may demonstrate efficiency and resolve. But all this will divert national attention, energies and resources from dealing with America's growing fiscal, technological and educational weaknesses. Mr. Bush, like Philip IV of Spain, prefers the glorious role of commander-in-chief to haggling over budget deficits; and much of the American media reflects that inclination.

The most significant news item of recent weeks, however, was not datelined Baghdad or Kennebunkport but appeared on an inside page of The Wall Street Journal on August 21. It reported that next year's budget deficit will almost certainly be the largest in American history, between $250 billion and $300 billion.

The cost of the military deployment (estimated by some to reach $1.5 billion before October, even if no shots are fired), the likelihood of smaller cuts in overall defence spending (or none at all), the difficulty of raising the tax on petrol, the economic slowdown and consequent fall in revenues, will all weaken America's fiscal position. In consequence, the article concluded, the cuts in government spending authorised by the Gramm-Rudman budget law probably will likely be cancelled by legislation later this year.

Is it any surprise that the dollar's value has been sagging, the stock market tumbling, and voices are heard demanding that superrich Japan and Germany help pay the spiralling cost of America's force projection?

The United States may get out of the Gulf quite soon without serious fighting and cost. On the other hand, it may be dragged into a long and expensive stay in the Arab world which, whatever the military outcome and popular mood, will certainly worsen its fiscal position and make it increasingly dependent on foreign capital, as happened to Britain when it lingered too long east of Aden until the Suez crisis.

For that reason alone, it may be premature to dismiss Tokyo and Bonn as being relegated to the margins of world affairs. Imperial overstretch has rarely occurred because a great power had too little military force; on the contrary, it was likely still to possess massive forces and at times to deploy them a along way from home. The real problem, it seems has not been the force-projection capabilities of the current number one, but a failure to recognize that long-term wealth and strength depend on the non-military dimensions of national power and on making hard political decisions on the home front.

The emperors, kings, prime ministers and presidents of great powers have always preferred the heady world of diplomacy, war and international affairs to the unglamorous realm of fiscal reform, educational change and domestic renewal. That is understandable, since they will go down in history as leaders of this or that spectacular demonstration of the country's still-powerful military capacity. It is left to later generations to pay the price.

Mr. WIRTH. I yield the floor, and I thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Mississippi [Mr. LOTT], is recognized.

Mr. LOTT. Mr. President, I ask unanimous consent to address the Senate as if in morning business for 10 minutes.

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

THE BUDGET RESOLUTION

Mr. LOTT. Mr. President, as we wait for the leadership to bring forward the budget resolution, rather than delivering my thoughts on the subject later on tonight, I thought I would go ahead and do it now and maybe save the Members a little time later on.

First, I would like to comment on the fact that this is a so-called bipartisan leadership agreement with the support of the President. I emphasize that I think the leadership has tried very hard to come up with a package that is reasonable and one that could pass. It is tough being in leadership.

One of the criticisms of the leadership, both in the administration and the Congress now, is that they went on over the hill and did not look back to see if the troops were with them. That is probably true.

When you are in the leadership position and you are on top of the mountain—at the summit—lightning always strikes first at the top. I think that is probably what happened here. They were doing the best they could, but they came up with a package that the rank and file American people and rank and file Members of the House and Senate just could not support.

I do no intend for my remarks to be construed as being critical of our leadership on either side of the aisle. I think they have done a good job in view of their respective, very difficult positions.

A moment ago, somebody referred to the fact that this may have been caused by the 1981 fiscal runaway train. As a matter of fact, the absolute reverse is the case. In 1981 we passed budget resolutions then known as Gramm-Latta that actually cut spending, and that was probably the last time the Congress voted to cut spending—9 years ago.

It is very popular around here to talk about the fact that, when in 1981 we cut taxes a little bit on people, that contributed to the problems we had in the eighties. As a matter of fact, the eighties were pretty good; and as a matter of fact, I still do not accept the argument that when you allow the people to keep some of their own money in their own pockets, that is bad for the economy. I think the reverse is true.

I just had to refer to this fiscal runaway train. It was one of the few times we really showed any fiscal restraint around here.

The problem with this budget agreement still is basically simple. It is fundamentally a tax package, a tax increase package. Everybody says it; it is trite, but I repeat it: Only inside the beltway, around Washington, DC, and in the news media here in this city, in the Washington Post, and by some commentators, do they say, "Oh, the people are undertaxed."

Go out in the real world and ask the people, whether it is in Mississippi, Montana, Nevada, or Maine, "Are you undertaxed?" Look at all the taxes they have to pay and ask the people across the country, "What is the solution to the budget deficit?" and they will tell you, "There is too much spending. Do not tax me any more."

We get into these arcane discussions around here. Let us burst the bubble; do this, do that. The average people out there, the people working, paying the taxes, do not understand all the nuances. They ask very simply. "Is it going to cost us more in taxes or not?" If the answer is more taxes, they say, "That is not the way to solve the problem."

The reason the budget agreement went down in the House is because the American people spoke to their Representatives in the Congress—Democrats and Republicans—and said, "Reject this thing, because it is going to hit the average working, taxpaying person too hard."

Gasoline tax is a classic example. Gasoline taxes hit everybody, and they hit especially hard the low-income, middle-income, working people. Then we see in the Washington Post this morning, once again, talk about exempting home heating fuel that affects the ability to stay warm. What do you think they do in Mississippi and Texas when they have to pay 12 cents a gallon or 10 cents a gallon more? When you look at what has happened over the last 6 weeks, it could lead to a situation where people in all parts of the country cannot stay warm.

If we are going to have a petroleum fee, it has to be across the board. It has to hit Maine just like it hits

Texas. So I hope that exemption would not be put into place.

If you ask the people—and I understand there is a poll out right now—ask the people again, "Where do you want to control this deficit; how do you want to do it?" the response comes back with 83 to 12 percent of the people saying cut spending.

My colleagues will get up on the floor of the Senate and say, "Where would you cut?" I respond, how about everywhere? How about a hard freeze? As a matter of fact, if we would just have a hard freeze on domestic discretionary nondefense spending in the first year, we would save $6 billion. We could even allow for a nominal increase from 1991 through 1995, and that would save $3 billion.

But in the budget package that they tried to get through the House of Representatives, they had cuts in defense, not cuts in international accounts, no cuts in domestic discretionary accounts. As a matter of fact, it had increases.

Let us talk about this package we have before us now. This is one that has been described as a shell—fill it in any way you want to—or a blank check. I have heard it described as a prism. You can show it this way to one group, and they see one thing. Turn around and show it that way to a different group, and it shows another thing.

What they have done is take anything controversial—whether a gasoline tax or Medicare or anything else—and say that is not in there. We are going to leave a plug and let the Ways and Means Committee figure out whether it is going to be Medicare costs for Medicare recipients, or going to be a tax increase. So you can see what you want to see or not to see what you do not want to see. That is what is in the package. Now we have a budget resolution that is a ghost resolution.

We are going to be told: Let the process work. I have used that argument. I have bought that argument. Yes, let us move the process along, vote for this budget resolution, and then we will be told a week from now we have to vote for the reconciliation package because we voted for the budget resolution. They are going to have to come up with a better argument than just moving the process along.

Let me assure everyone that when the Ways and Means Committee in the other body gets through with the budget resolution, when they develop the reconciliation, it is going to be more tax, not less. And they have a long track record. I have watched them for years, now. Frankly, I have a little more faith in the Finance Committee here in the Senate. I believe that the chairman of the committee will try very hard in the Senate to keep home heating fuel from being exempted.

But when the smoke clears, what they are going to have to do is again look for tax increases. We have jumped that hurdle here in the Senate and in Washington. We have quit arguing over where should we cut spending. We have all gotten to the point now of identifying which taxes we are going to find acceptable.

That is the fundamental flaw. We are looking for more and more taxes, whether it is gasoline taxes—or call them fees. We have a whole long list.

I urge my colleagues to look at the budget resolution, look at the numbers in here. Each committee is told, here is a number, find it. On reconciliation, we are going to tell the various committees, you go out and find your numbers.

Let us just take one committee, the House Committee on Post Office and Civil Service. We tell them to come up with a deficit reduction of $2.165 billion for fiscal year 1991. Anybody here believe they are really going to get that? Look at their past record. The last time they were instructed to come up with a reduction of savings in the deficit, I think the record will show they ignored it. They just said we are not going to do that.

Is the leadership going to roll all these various chairmen in the House and the Senate? Who are we kidding? It does not work that way. So the number we are told we are going to get in the reconciliation from the various committees, that is just a joke. We are not going to get these real savings. And all you have in this budget resolution is a long list of numbers that are hard to even explain.

So, we are counting on the committees to do the job for us. We are just going to move the process along. I do not think this is going to produce any savings. I think all it is going to do is produce more tax increases.

Now some people will say, all right what is your package? I guess you could come up with 100 different packages right here in the U.S. Senate. But just in case anybody would like to see one, I have one. I have one right here that will save $6 billion in nondefense discretionary spending. It would take Chairman NUNN'S numbers on defense, that is $10 billion savings; it would take $10.7 billion out of entitlements, and I can even specify where those savings would come from, and it would provide for $16 billion in revenue. I still think that is a wrong way to go, but if you want a package that we can consider, I have got numbers here that we could work on.

I urge my colleagues to vote against this shell of a budget resolution. I might go along with a continuing resolution, but I would like for it to be a shorter one. That way, the pressure will stay on the Congress to do its job and not come down to the wire on October 19, right up against the deadline, when once again we'll be told we have to take this thing whole hog, take it or the Government will be shut down again.

I predict that on October 19, that is what we will be doing. Taking reconciliation just like it is, so that we can go home. I think we ought to at least back date up to the 15th. If we are going to have another drop-dead date, it would better to be the 15th than the 19th. If we do that, I would take another look at the continuing resolution.

I am glad to yield to the distinguished Senator from Colorado.

Mr. ARMSTRONG. I have been listening to the distinguished Senator from Mississippi. I wonder if he would yield for a question.

Mr. LOTT. I am glad to yield.

Mr. ARMSTRONG. I heard a moment ago the Senator's reference to the savings which are directed by this budget resolution to the Committee on Post Office and Civil Service.

The PRESIDING OFFICER. The Chair would inform the Senator from Mississippi, who has the floor, that his time has expired.

Mr. LOTT. I ask unanimous consent to have 2 additional minutes so I could respond to the question of the Senator from Colorado.

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

Mr. ARMSTRONG. The Senator was commenting that he was not sure that savings of the magitude that had been suggested could actually be achieved and, in fact, if I understand his comment correctly, he was asking how in the world could they do that, particularly when it came to the post office.

I just wanted to tell him that we have done a little research on this and I think the essence of at least the $489 million in savings is that they are going to have the post office, which is now off-budget—we took it off-budget last year as part of the reform—they are now going to have this off-budget activity write a check for $489 million to the Government, which would put it back on budget. So at least that portion of it you can be sure will not be a real savings, will not be any reduction in the general level of expenditures. It will just be a bookkeeping trick.

If you look through this at several places, you have the same reason for skepticism. In fact, as you look at the proposal to pick up $9 billion as a result of enhanced enforcement by the IRS, all that means is that we are going to hire a few more IRS agents, and I suppose that it will bring in an extra $9 billion. We could as easily, I suppose, have said $19 billion or $29 billion or any other number, because it is just a supposition.

It is the same thing, if I could just sum up, as we once had around here, which was the magic asterisk. I do not know if the Senator remembers that, but it was just where we plugged in a number because it helped us achieve a total. If you look carefully at the proposed savings in the budget resolution, there are a lot of asterisks, or little places where we may have assumed things that may or may not pan out.

Mr. LOTT. You could probably call this budget resolution an asterisk. In a sense the original proposal for the specifics went down. Now they are saying we are going to take everything from the House, just vote to move the process along, and we will let the Ways and Means Committee and the Post Office and Civil Service Committee—and I am not picking on that one committee—fill in the blanks. This is one great big asterisk.

While I was not inclined to vote for the earlier agreement, I am even less inclined to vote for this because I have no idea what it means or what it is going to lead to. And if I vote for it, then I am going to be told I have an obligation to vote on the whole reconciliation package.

Mr. ARMSTRONG. What does the Senator think of the argument that is made in support of the budget resolution that, after all, we are not shooting with real bullets; it does not really change anything; it does not have any effect on subsequent legislation; therefore, this is virtually a ministerial act; it really does not count and should not be taken seriously?

Mr. LOTT. There is no question that Congress is firing with blanks. This is not a blank. This is real because we are going to have to pay the price with increased taxes.

Since there is another Senator waiting for time to speak, I yield the floor at this time, Mr. President.

(Applause in the galleries.)

The PRESIDING OFFICER. The Chair would inform spectators in the gallery that it is contrary to the rules of the U.S. Senate for spectators in the gallery to express either approval or disapproval of the remarks of any Senator on the floor, and if there is a further outbreak, the Chair will have to direct the Sergeant at Arms to take appropriate action.

The Chair recognizes the Senator from North Dakota [Mr. CONRAD].

THE DEFICIT

Mr. CONRAD. Mr. President, as the occupant of the Chair knows, in the last several days I have been on the floor arguing strongly against the summit agreement for deficit reduction. I argued strongly against it because I did not feel that agreement was fair. It was not fair to the middle class in this country; was not fair to the elderly sick; was not fair to the farmers of this country; was not fair regionally. It should have been rejected and has been rejected and should not come back.

Mr. President, I thought I would take the floor today to talk a little bit about how we got here. How do we find ourselves in such a difficult situation as we face today with deep disagreement in this Chamber and in the other Chamber not only between parties but among Members of the same party and between those of us on Capitol Hill and the White House?

I brought some charts along to show what has happened in the last 10 years. Very briefly let me review these charts with my colleagues.

The first one shows the trend of Federal spending and revenue from 1980 through 1991. Mr. President, the top line is the spending line, a steady increase over this 11-year period. The bottom line is the revenue line. And that shows a dramatic turn, because in 1981 the Congress passed a tax bill that dramaticaly cut taxes in this country. The result of that combination of increased spending, constant trend line up, and that dramatic tax reduction was that deficits exploded in this country. Deficits tripled on a yearly basis and more. The result of those increasing deficits was the Federal deficit in this country grew like a cancer.

This chart shows the growth in the national debt from less than $1 trillion when Ronald Reagan came into office to over $3 trillion today, and headed for $4 trillion.

At the same time we saw this dramatic increase in the Federal debt, we also saw the opening up of an enormous chasm in the trade deficit of this country. The United States went from being a country that ran trade surpluses to a country that ran enormous trade deficits.

Those budget deficits and trade deficits are related. One helps cause the other. As Federal deficits go up, interest rates go up, and that makes us less competitive. The trade deficit opened up so the trade deficit in 1989 was greater than the total of all the trade surpluses accumulated since the end of World War II. The result of that pattern was the United States went from being the largest creditor nation in the world, as recently as 1981, to now being the largest debtor nation in the world. The largest creditors, more countries owing us more money as recently as 1981 to now being the largest debtor nation. More countries owed us money than any other country in the world. We now owe an external debt of over $650 billion. That, Mr. President, suggests economic decline.

And, while we have seen this pattern, I think it is also instructive to look at what has happened in the tax burden in this country because one of my strongest objections to the summit agreement was that it was not favorable and not fair to the middle-income earners in this country.

Mr. President, this chart shows the annual change in taxes from 1977 to 1990. The tax changes are expressed in billions of dollars and it is expressed in terms of equal one-fifth categories of American taxpayers. So the lowest one-fifth have had a modest tax increase in this country; the second one-fifth a tax increase; the third one-fifth a tax increase, the fourth one-fifth a tax increase. The very top here is the top 1 percent in our country; the top 1 percent. What have they experienced? A dramatic tax reduction.

Mr. President, at the very time the wealthiest 1 percent have enjoyed a massive tax reduction we can also look to this chart which shows what has happened to the change in real income as well as Federal tax rates by the various categories in our society. This chart, too, is very revealing. It shows, again, that the lowest one-fifth have had a negative real income change and a modest tax rate change. The middle one-fifth, very modest real income change and a modest increase in taxes. The richest one-fifth, a dramatic increase in real income, over 25 percent and a modest tax reduction.

But look at the richest 1 percent among us. They have enjoyed real income increase of over 90 percent and their tax burden has reduced. Mr. President, that is not fair and that is why I among others so strongly objected to the package that was put before us that increased the income taxes, or the tax burden, I should say, on the middle-income people of this country, at double the rate of increase of the richest among us.

That was not fair. And it was rejected, and rejected overwhelmingly because the people of this country are pretty darned smart. They knew that package was not fair. They knew it should be rejected, and it was.

Mr. President, there is another area that is not fair either. This time it is on the spending side. Because, for too long, Mr. President, we have been paying the bills for Europe and Japan even when we cannot pay our own bills—$100 billion a year for Europe, $50 billion a year for Japan. And we have to borrow the money from them to do it. What sense does that make? Yet we continue the pattern. Pay Europe's bills; pay Japan's bills. And then wonder why we have a massive increase in the deficit here at home.

I looked back in my files for an article that appeared in the Economist. The Economist is a distinguished journal published abroad. This came from July 1987. Let me quote from that issue. They are suggesting that Europe ought to pay more of their own defense. Here is what they say:

Why is that so desirable? Not just for the reason usually given that 240 million Amercians with an income at about a bit over $4 trillion do not see why 374 billion Europeans with nearly $3.5 trillion should need 300,000 American servicemen and about $100 billion a year of the American defense budget to guard them, giving nothing in reply except the cheery explanation that Europe is worth every penny of it.

Mr. President, Europe may be worth every penny of it, but they ought to be their pennies. They ought to be their dollars. It ought to be their contribution to their defense and we ought to say in this country that we are responsible for our defense and we are ready to meet that challenge. But we cannot continue to pay the bills for Europe and Japan when we cannot pay our own. And we cannot continue to pay the bills for Europe and Japan when we have to borrow the money from them to do it. That way lies weakness, not strength.

I have long believed, Mr. President, that the greatest threat to America's security is our economic vulnerability, and what could be more clear in these last 72 hours, as we have watched a great nation brought to its knees, its Government closed, its most sacred monuments and memorials closed, because we cannot pay our own bills.

It is time for change. It is time to say to the wealthiest among us: You have to pay more. You have to take more of this load. And it is time to say to our friends in Europe and Japan. It is time for you to pay your own bills, we cannot afford to do it any longer.

I believe those are fundamental principles against which any final resolution of this budget imbroglio should be measured. This budget resolution is not the final test. This budget resolution is simply guidelines about trying to achieve $500 billion of deficit reduction over the next 5 years. The details come later.

Mr. President, when we have the details they better meet these tests because the American people are smart, they know there is a problem. They do not know the precise numbers but they know there is trouble. They see the storm clouds on the horizon and they want it resolved.

They want this body and the other body and the President of the United States to face up to the challenge that we confront. No coverup, no phony estimates, no feel good programs, but for once: Truth and honesty. I am convinced if we go to the American people and are straight with them, they will support the hard choices that need to be made.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Washington [Mr. GORTON] is recognized.

Mr. GORTON. Mr. President, I ask unanimous consent I be permitted to speak for 10 minutes as in morning busines.

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

THE BUDGET RESOLUTION

Mr. GORTON. Mr. President, on Monday last, I stood before this Senate and was among the first to endorse the budget resolution which resulted from several months of negotiations involving leadership of both parties and this body and in the House of Representatives and the President of the United States. I agreed to that support not because it proposed a solution which I regarded as ideal, but because it did seem to represent a broad cross-section; it did spread the very real pain of attempting to save some $500 billion over a 5-year period from the deficit and because it called for strong, in fact, unprecedented enforcement mechanisms.

Within the 24 hours or so after I made those remarks, the President of the United States asked for public support for the bill, and the majority leaders, both of this body and of the House of Representatives, mildly endorsed a proposal in the drafting of which they had played a major role but essentially denounced it as unbalanced and unfair.

From that point on, almost all possibility of a broad bipartisan agreement unraveled. The Speaker of the House of Representatives and I believe the majority leader here said, if it is passed, the committees will work their will on it and it will change in some form in the way in which it was adopted by the summit agreement. That, because of the nature of the majority in both Houses, was not calculated to bring Members of the Republican Party into agreement with the proposal and the result we already know. Neither Republicans nor Democrats in the House were willing to give that proposal a majority of their votes.

On the next morning the most thoughtful suggestion which I heard mentioned came from the distinguished junior Senator from Texas [Mr. GRAMM] who said he felt that the next step in this process must be three fundamental goals:

First, it must reach the deficit reduction goals of the first proposal; that is to say, $40 billion in the first year, and $500 billion during the course of 5 years.

Second, it must be different from the proposal which was rejected and be perceived both in the Congress and in the country as being different.

And third, the Senator from Texas said that he felt strongly that it must be in a form which was regarded by both Republicans and Democrats as being more favorable to the causes which they sought, perhaps the most difficult of those three goals to reach.

In any event, when the President's veto of the continuing resolution was upheld in the House, that forced quick action with respect to another budget resolution. The majority party of the House drafted such a resolution and agreed to it last night.

Mr. President, that resolution met two of the three goals which the Senator from Texas set out. It meets the same goals with respect to budget deficit reduction and it is perceived to be different. It does not, however, meet the third of those goals. It was drafted by Democrats, largely in favor of Democratic positions.

It has two major differences, as I see it, from the one which was defeated in the House of Representatives last Thursday. The first is that it has few of the specifics which were a part of the statement of managers in connection with the first budget resolution. In other words, it leaves these generalized goals to the Ways and Means Committee, primarily in the House of Representatives, and the Finance Committee in this body. It is in that respect that I find it particularly troubling.

I am reminded of the line from Hamlet, Mr. President, and I find myself in the position of preferring to "bear those ills we have and fly to others that we know not of." I knew, whether I like it or not, what was in that first budget resolution and what it meant. I do not know what this budget resolution will lead to, and it is largely out of the control of the party of which I am a party.

The second major difference is that it gives each of those committees $20 billion in unspecified savings. In theory, of course, that $10 billion, which is taken out of entitlement savings and $10 billion out of tax increases, could be used to increase the amount of spending discipline which we had imposed on the Congress and on the country. As a matter of fact, we almost all know that what will happen is there will be $10 billion less in budget discipline and $10 billion over this 5-year period more in taxes.

Mr. President, I do not regard that at this point as a satisfactory solution and, therefore, will be among those who favored or would have voted for last week's solution and will not vote for this one this evening.

I may say, Mr. President, that that is a fairly close question. Certainly, this budget resolution creates a pattern which can allow for a responsible and balanced approach on the part of both of those distinguished committees and on the part of the House of Representatives and the Senate. It might lead to a good, effective, and enforceable reconciliation bill which will be balanced between tax increases, other forms of revenue and spending discipline. It may lead to a way in which the plan

which it has for 5 years can effectively be enforced. It it does so, I will intend to support the much more difficult proposition of voting for a reconciliation bill which actually meets those goals in a way which is satisfactory to the President and I hope to a majority of Members of both of those parties.

At this point, however, the downside risk of turning this over, most particularly to the Ways and Means Committee in the House of Representatives, is not one which I wish to take. I believe that there is a legitimate fear that this budget resolution will result in more taxes and less spending discipline, and I believe that this is exactly what the people of the United States do not wish.

As a consequence, Mr. President, I intend to vote against this budget resolution with the hope that I am proven to be in error by the actions of the Ways and Means Committee, the House of Representatives, the Finance Committee and this body. And if I am, when the reconciliation bill appears on the floor for debate here, I will be happy to acknowledge it and to support a proposal which will at least begin to get us out of the fiscal mess that we find ourselves in at the present time and on the road to fiscal sanity.

Mr. BOSCHWITZ. Will the Senator from Washington yield?

Mr. GORTON. I will be happy to.

Mr. BOSCHWITZ. Let me ask the Senator, as my colleague knows, I just returned by plane from Minnesota and I noticed in the summary I received, there is $20 billion more in unspecified but reconciled reduction. The Senator says he is concerned that will be $10 billion more, cut $10 billion more in revenue that are not presently——

Mr. GORTON. Not quite, I say to my friend from Minnesota. I fear what I read in the newspaper and hear from the House of Representatives that it will mean $10 billion more in taxes and $10 billion more in spending. That is to say $10 billion less in spending discipline.

Mr. BOSCHWITZ. But then the $20 billion will not be the reconciled dificit; reduction will not be met.

Mr. GORTON. Yes, it will be. What I understand the leadership of the House to believe is that they will be required to reconcile $10 billion less in spending reductions in the entitlement field and match it by $10 billion more in taxes.

That is what the $20 billion in unspecified is; $10 billion comes from the tax side, $10 billion comes from the spending side. So all they need to do is add $20 billion in taxes and they will have accomplished the goal I have just outlined.

Mr. BOSCHWITZ. But the summary that I received also states, "Gross revenues will not exceed those in the summit agreement." Is that not correct?

Mr. GORTON. That is also correct. It is also deceptive because gross revenues in the budget summit included some $150 billion in new taxes against which somewhere between $12 billion and $15 billion or $18 billion of tax goodies, of new preferences—remember, the investment incentives were to be subtracted, so that the net of new taxes was approximately $130 billion. So it is very easy for the Ways and Means Committee in the House to strike all of those incentives—incidentally, I believe they should be stricken—but to add $20 billion to the taxes authorized here, still stay under the $150 billion gross but have a net increase in taxes of $10 billion over and above what the net of the earlier budget agreement called for.

Mr. BOSCHWITZ. So that the net revenues before were about $138 billion.

Mr. GORTON. About $130 billion, I believe. But in any event they will be $10 billion higher than that.

Mr. BOSCHWITZ. There was $14 billion more than that in some preferences that were added including that whole small business package.

Mr. GORTON. The Senator is correct.

Mr. BOSCHWITZ. So the word "gross" is the operative word in that particular regard.

Mr. GORTON. That is correct.

Mr. BOSCHWITZ. I thank the Senator. It looks like it followed the budget agreement that the Senator and I in our discussions would have voted for, but this one has departed from it in a way that is not readily noted from the description.

Mr. GORTON. It does. As I said in my own remarks, this is broad enough so that it could permit an ultimate reconciliation package which would be quite consistent with what the distinguished Senator from Minnesota and I supported a week ago today. The problem is it also could be very, very different from that proposal.

Mr. BOSCHWITZ. The Senator from Washington is somewhat apprehensive about such a reconciliation bill starting in the Ways and Means Committee of the House, I gather.

Mr. GORTON. The Senator from Washington is extremely apprehensive about the prospects there.

Mr. BOSCHWITZ. I share the apprehension. I thank the Senator.

Mr. GORTON. Mr. President, I yield the floor.

BUDGET NEGOTIATIONS

Mr. MITCHELL. Mr. President and Members of the Senate, as I announced earlier in the day, it had been my hope that we could proceed to consideration of the budget conference report at or shortly after 2:30 p.m. this afternoon. As is obvious, it now being some 4 hours later than that and we not having formally gone to the budget conference report, I was unable to gain consent to do that.

In the interim, however, two things have occurred. We have had a number of discussions among the leaders on the Budget Committee, the chairman and ranking member and others and I, with the distinguished Republican leader, in an effort to reach an agreement on the handling of the conference report and the continuing resolution in such a way that might ultimately reduce the amount of time that would otherwise have been consumed in consideration of those two measures.

In addition, I note that a number of Senators have made statements as though we were on the budget resolution, and it is my fervent hope that when we get to it, informative as those statements were, Senators will not make the same or similar statements again.

Mr. GORTON. Will the majority leader yield?

Mr. MITCHELL. Yes, I am pleased to yield.

Mr. GORTON. It was exactly for that purpose that this Senator spoke, and the distinguished Senator from Mississippi. The time which I had informally reserved has now been utilized, and we recognized that and hoped that we could reduce the time for debate after we had formally laid down the budget resolution.

Mr. MITCHELL. I thank my colleague for his cooperation in that regard, and I encourage all other Senators who have expressed an intention to speak when we get to the budget resolution to use this period of time to do so and then permit a reduction in time formally allocated to the resolution when we get to it, which I continue to hope will be shortly.

Having said I hoped to go to it at 2:30 and it now being 6:30, my hopes and expectations are not much to rely on for Members of the Senate, but I am an eternal optimist. I sincerely hope we are going to be able to resolve the matter in a way that we ultimately save time for all and permit us to complete action on both measures promptly.

That being the case, I am not able to say we are there yet. I conclude by saying it is incumbent upon the Senate to act on these measures today. We are not just dealing with numbers. We are not just dealing with what we call programs. We are dealing with individual human beings and their families and their hopes and fears and concerns.

It is our responsibility as public officials to act and act in what I hope will be a prompt and decisive manner to approve the budget resolution to

permit us to go forward in an attempt to develop a responsible, fair, and meaningful legislative package that will reduce the deficit.

The first step to that, the essential first step, is to pass the budget resolution. This is the time of the baseball playoffs, and to use a baseball analogy, you cannot score until you get to first base. The budget resolution is the means by which we get to first base. It does not score a run. It does not change the law. It does not have to be signed by the President. It simply is an internal mechanism of the Congress under the Budget Act that permits us to proceed to attempt to develop in the actual legislation on which we will be voting in a couple of weeks those changes in law that will produce savings in a fair, meaningful, and responsible way.

So I apologize to all of the Members of the Senate for the inconvenience resulting from our inability to bring this forward. It does require consent, and as we have all learned from many long months of experience getting 100 Senators to give their consent to anything can be a difficult task. I hope to be able to move to it very shortly in a way that all will agree is appropriate.

Mr. President, I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. PRYOR] is recognized.

Mr. PRYOR. I see where some of our budget leaders in this debate are now coming to the floor. Therefore, I will not speak at this time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. COHEN. Mr. President, I ask unanimous consent that I might proceed for 5 minutes as if in morning business.

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

THE BUDGET

Mr. COHEN. Mr. President, I take the floor at this time to offer a few comments pertaining to the budget as we continue to negotiate as to whether we proceed with the taking up of the budget resolution or the continuing resolution.

I have been impressed with the vigor of the debate this evening, particularly those who have gone back over the past decade and tried to analyze why we are where we are.

Since we are living in the age of attribution, I want to attribute the following quote to the appropriate source, the Senator from South Carolina [Mr. HOLLINGS]. I remember reading some years ago, a statement that he delivered when he said the following:

> A veteran returning from Korea went to college on the G.I. Bill; bought his house with an FHA loan; saw his kids born in a VA hospital; started a business with an SBA loan; got electricity from the REA and soil testing from USDA. When the father became ill, the family was saved from financial ruin by Medicare and a life was saved with a drug developed through the National Institute of Health. His kids participated in the school lunch program, learned physics from teachers trained in a National Science Foundation program and went through college with guaranteed student loans. He drove to work on the Interstate and moored his boat in a channel dredged by Army engineers. When floods hit, he took Amtrak to Washington to apply for disaster relief, and spent some time in the Smithsonian museums. Then one day he wrote his congressman an angry letter asking the government to get off his back and complaining about paying taxes for all those programs created for ungrateful people.

I thought the comments delivered by my colleague, Senator HOLLINGS, were quite appropriate, pointing out that many Americans, indeed, most Americans, approve of the vast array of programs that have been adopted over the years, while at the same time they are unwilling to look at the costs required to pay for those particular programs.

I have been intrigued with some comments of my colleagues who have denounced this new revised budget proposal because it does not go far enough in one direction or the other. I have not heard many of my colleagues be specific in terms of which programs they want to cut deeply, whether this be the GI bill, or the FHA loan program, or the money for veterans' hospitals, or the SBA loan program, or the REA and soil-testing programs.

Certainly a lot of attention has been directed toward Medicare. I am not sure exactly why some of my colleagues are so eager to cut so deeply into Medicare when it provides so much in the way of relief for people who are hard pressed with medical bills.

It is unclear whether my colleagues want to cut the interstate highway fund, Amtrak, the drug enforcement, and National Science Foundation programs. I have not heard many specifics in terms of how many are eager to cut back those programs. There is some question on the part of a number of Members on this side. There is a fear of flying, or fear of flying blind. They are not quite sure exactly what direction we are heading, and at what speed we are traveling.

One of my colleagues suggested that this budget proposal sets up a pattern that could in fact be fair and balanced, provided the right things are put in the mix when it finally comes out of the reconciliation package, and that he could forsee the circumstance where he would find himself voting for the reconciliation package, but could not support this particular budget proposal.

I think that has been brought about because of a certain Delphic ambiguity that the administration has expressed toward this budget proposal. There is no indication coming from the White House as to whether they favor it or not. They have washed their hands. They have been through the budget summit. They were rejected in terms of the proposal that they helped to hammer out, and now they are not too sure they want to have any part with this particular process. So now there is doubt. There is doubt in the minds of a number of the Senators on this side as to exactly what the White House might do in the future.

There was a statement made by Chekhov many, many, years ago. He said:

> If you cry "Forward!" you must without fail make plain in what direction you intend to go. Don't you see that if, without doing so, you call out the word to both a monk and a revolutionary, they will go in directions precisely opposite?

And that is the problem that we face tonight. We are hearing the cry, "Let us go forward," but a number of Members are not sure exactly what that means. Does that mean defense cuts; higher taxes; does it mean less in taxes and more in social programs? It is very hard to determine exactly what direction the President ultimately will go. And there is some, I must say, distrust that you can at least evince from the words spoken by my colleagues particularly on this side.

They are not sure, No. 1, what this package will look like a week or 10 days from now. They fear, on one hand, Ways and Means will send a reconciliation package that will be completely unacceptable; that it may, in fact, even though it is unacceptable to a minority over here, be passed by a majority. And they are unsure exactly what the President might do with that reconciliation package. Even if it were to violate his pledge about new taxes, even if it were to violate his commitment for deeper reductions, they are not too sure whether the President would then veto the measure and they would be allowed the opportunity to sustain that veto.

Mr. President, there is no question that serious and lasting progress must be made to reduce the Federal deficit. The debate on how best to achieve this goal has been lengthy and at times fractious. I think it is critical,

however, that we pass this budget resolution so that the committees can get on with the business of working to produce a budget reconciliation bill.

The budget resolution that we vote on today is primarily procedural. It sets forth the broad goal of reducing the Federal deficit by $40 billion this year and by $500 billion over the next 5 years. However, it leaves the committees with substantial latitude to reach these goals. This is a vote simply to allow the committees to commence work on meeting broad deficit-reduction targets. It is not a vote for their final product.

I have no intention of giving these committees a blank check in this matter. I will be carefully scrutinizing the committees' work to assure that the final budget agreement is fair and equitable.

Fairness is the yardstick by which any deficit reduction plan must be measured. If the burden of deficit reduction falls disproportionately on the elderly, the poor or the middle class, this principle of fairness is violated. Deficit reduction is a national problem, requiring the full and fair participation of everyone. Failure to meet this standard undermines confidence not only in the budget process, but in the entire Government as well.

Next week, after the committees make their final recommendations, each of us will have to decide whether these recommendations are fair and equitable. If not, we will have an opportunity to reject the budget plan when it is presented in the reconciliation bill.

I certainly intend to exercise that authority freely. If the final package is not substantially more equitable than the original budget summit agreement, I will oppose it. I will be looking very closely at the Medicare provisions. Medicare recipients should not be called upon to shoulder half of the cuts in domestic spending. Such a burden would simply be unfair. Likewise, a tax on home heating fuel is unacceptable because it places such a disproportionate burden on States like Maine.

It would be premature, however, to pass judgment now on a final budget package now since it has not even been developed. At this point, it is incumbent upon the Senate to pass this resolution and allow the committees to begin their work.

Failure to pass this resolution will simply delay our efforts to reduce our Federal deficit. In the short term, failure to pass this resolution will force the Federal Government to shut down. In the long run, it will undermine our ability to make serious and lasting progress to reduce the Federal deficit.

I urge my colleagues to join me in supporting this resolution, recognizing that each of us will have an opportunity to reject the final plan when we consider the budget reconciliation bill.

I hope my colleagues will put aside fear at this particular moment, reserve their right to reject the reconciliation package, and allow the committees an opportunity to fashion a reconciliation package that they can support in the future.

I yield the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. McCAIN. Mr. President, I rise today in opposition to this budget resolution. The budget process is broke and, as far as I can tell, this package does not fix it. I can not support a package that is wrought in the dark of the night and is only described in terse prose on a few pieces of papers a few hours before the Senate is asked to vote upon it.

Like the rest of my colleagues, I am fully committed to the task of regaining fiscal control. Since World War II there has been a steady deterioration in our fiscal policy—deficits as a percentage of GNP have doubled every decade since the 1950's, and it is time to turn this trend around.

None of us is unaware that enormous Federal budget deficits have plundered our national savings to the point where our savings rate has more than halved—from 9 percent in the 1960's to under 4 percent in the 1980's. At a time when we struggle to remain internationally competitive and to foster investment, our savings rate is 40 percent of Germany's and only 20 percent of Japan's.

It is discouraging and almost frightening to realize that, in spite of the tax increases of the 1980's—yes, tax increases—Congress has heaped $1.6 trillion onto the national debt. That's bigger than our national budget has ever been. In fact, despite six tax-increasing budget summits since 1983, the deficit fell only in years when there was no summit and no new taxes.

It is largely because tax increases do not ever seem to lead to spending cuts or lower deficits, that I find myself in opposition to this budget resolution. Congress will just use the new taxes for new spending.

This budget resolution, like the failed budget summit agreement before it, shortsightedly contains the largest tax increase in history. Mr. President, the average American taxpayer already works until May 5 just to pay his or her tax bill. Never before have taxpayers had to work for the Government for such a long time.

In case you have missed the polls over the last few years, the American taxpayer has had enough. Two-thirds of the American public regard a tax increase as a way to feed Congress' appetite for overspending. Who are we to ignore the American public?

We need to eliminate waste, inefficiency, and mismanagement before we even consider raising taxes. This package is 0 for 3 and yet we are being asked to agree to the largest tax increase in history.

Not since World War II have we raised taxes to over 19.6 percent of GNP—as the package certainly will—without tipping the economy into recession. We can not justify a tax increase. Annual tax collections are already a third higher now than in the 1960's and 1970's but spending has grown even faster.

I know that some people say that we are undertaxed compared to other countries, but I disagree—I think that other countries are overtaxed and that Congress spends too much.

I also disagree with the approach taken on Medicare, however vaguely it is described in the three or four pieces of paper my staff has managed to glean. Despite the alleged changes from the budget summit agreement that the House defeated last week, the Medicare changes are still proposed for the wrong reasons in the wrong context.

Let me remind my colleagues that the last time we tried to balance the budget on the backs of seniors, a firestorm swept the country. We need to address rising health care costs, but any changes we make to Medicare without thorough reform or providing new benefits is a thinly veiled budget maneuver, and senior citizens from Alaska to Florida will know it.

In addition, I am concerned about the potential impact on Medicare providers—physicians and hospitals, and especially rural and high Medicare hospitals—because of this proposal. I submit that a meat-ax approach to Medicare provider reforms is no longer acceptable, yet we have no assurances that the committees will now once again pull the ax from shelf and aim at providers.

Any restructuring of Medicare must be debated openly before the public through the committee process with the input of Members and the comments of the public. This budget resolution, which is barely laid out for us so that we know what is in it, does neither.

I also strongly believe that without constructive changes to our budget process, we are going to face budget crises like these at regular intervals. We need real, structural reform in the budget process, not phoney changes

with fancy names that confuse the daylights out of everyone, including so-called budgeteers. We need budget reform that will require us to make our deadlines and that will impose discipline on Congress—the negligent keeper of the country's purse.

One of the most important budget reform measures we can adopt and should adopt is the line-item veto. The time has come for us to concede that Congress' desire to fritter away the taxpayer's hard earned dollars is insatiable. We need to give the President the line-item veto now.

While a minority of Americans want their tax raised, over 70 percent of American taxpayers, who fund preposterous projects and special interest programs each year, support giving the President the line-item veto. This package seems only to contain the complex budget measures that the failed summit agreement contained, which will worsen this already confusing process.

Under this proposal, we will continue missing deadlines and facing 11th-hour decisions again next year and the year after that and the year after that.

Finally, this agreement just will not work. The economic assumptions it is based on underestimate outlays; the temptation by committees to play smoke and mirrors games remains; and if the new taxes slow the economy, spending will burgeon.

It is vitally important to achieve the goal this agreement aims for—but it misses badly. As GAO recently wrote in a report on the budget deficit, deficits have an "ominous implication for economic growth."

I know that the President has had a difficult time negotiating with the Democratic leadership of this body. He has made serious concessions. In fact, he has had to go too far in his concessions to make the Democrats come along. It is because of many of these huge concessions that I oppose this package.

But, I also oppose this package because we—and that is me and many of my colleagues and the people we represent—do not know what is going to be put into it. Once these vague outlines are turned over to the various committees that are supposed to comply with them, who knows what will be rammed down our throats?

No, Mr. President, this budget resolution, as flawed at it is, is not as "good as we are going to get," as its supporters argue. It basically amounts to "business as usual" at a time when our constituents want change and results—the truth of the matter is that this budget resolution is not good enough.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I want to thank my colleague from Arizona for his courtesy in yielding.

Mr. President, I say to the Members of the Senate, as I have reported previously on several occasions during the day, we have been consulting with the distinguished Republican leader, the ranking member on the Budget Committee, the chairman of the Budget Committee and others, to develop a means by which the Senate could act on these two important matters, the conference report on the budget resolution and the continuing resolution, in such a manner that would permit us to move forward in the effort to develop a meaningful and fair budget reduction legislative package and also that will permit the continued funding of the Government and prevent the inconvenience and, indeed, much more than inconvenience, that would result by the inability of the Government to continue its operations after midnight tonight.

We are very close to an agreement in that regard. I particularly thank the distinguished Republican leader for his cooperative efforts throughout the day.

What I will momentarily do is to seek consent to proceed to the conference report on the budget resolution, and while that is being considered, at least during the opening statements of the managers, we will attempt to move finally to an agreement regarding the continuing resolution and then perhaps, if possible, an agreement limiting the time for debate on the budget resolution, which, it is at least my hope, we could complete action on prior to midnight; that is, on both of the measures if we are able to work it out.

Accordingly, Mr. President, I am going to seek the consent and then defer to the distinguished Republican leader and give him the opportunity to comment before any action is taken on the consent request.

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the conference report on House Concurrent Resolution 310.

Mr. DOLE. Reserving the right to object, and I shall not object.

The PRESIDING OFFICER. The distinguished Republican leader.

Mr. DOLE. Mr. President, I share the views expressed by the majority leader. We have been attempting to make some modification of the continuing resolution. We have been working with a number of my colleagues on this side and with the majority leader and others on the other side. We believe that we may have an agreement on that, which would expedite passage of the continuing resolution, hopefully prior to midnight. I understand the President will not sign the CR until we also agree to the budget resolution. I just confirmed that with the White House. That would not inconvenience workers or others because, as I understand the rules, they would come to work in the morning and they would be there for 3 hours and, by that time, surely, we will have the budget resolution agreed to and hopefully the CR.

There are, of course, all kinds of options with the CR. It is subject to debate. It could be filibustered. It could be filibustered on a motion to proceed, or on the CR itself. So it is within the power of anyone in the Senate or any group, or any of us to—in effect, we can shut down the Government, any one of us. I do not think that is the desire of anyone, but I want to make certain everyone understands there are a number of options available and that is why I felt, it seems to me, if we can work out some agreement, it would expedite the process and it would be in the best interest of this country.

I want to thank the distinguished Senator from Idaho, Senator McCLURE, for his help in crafting what we hope will be an agreement satisfactory to a number on this side. It may mean additional votes for the budget resolution; it should mean additional votes for the budget resolution itself.

I have no objection to the request of the majority leader.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the concurrent resolution (H. Con. Res. 310) setting forth the congressional budget for the United States Government for the fiscal years 1991, 1992, 1993, 1994, and 1995, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of Sunday, October 7, 1990.)

The PRESIDING OFFICER. Pursuant to section 305(c) of the Congressional Budget Act, the time for debate on the conference report is limited to 10 hours, to be equally divided and controlled by the leaders or their designees.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

ORDER OF PROCEDURE

Mr. DOMENICI. Mr. President, I wonder before the distinguished majorty leader leaves the floor if I might just ask a question. It is my understanding the negotiations regarding the continuing resolution would indicate that if all is ready with the majority leader and the distinguished minority leader, the majority leader may want to proceed with it before completion of the budget resolution that is now pending before the Senate; is that correct?

Mr. MITCHELL. That is correct.

Mr. DOMENICI. Do I understand then if that is the case and the majority leader is ready, that the majority leader would request that we set this aside so he could proceed with the CR?

Mr. MITCHELL. That is correct. Indeed, I believe the preferable course of action would be to obtain consent now to permit the majority leader, following consultation with the Republican leader, to proceed to the continuing resolution at any time, notwithstanding the pendency of the conference report. But before propounding that, I want to make certain that it is agreeable with the Republican leader.

Mr. DOLE. It would be agreeable. In fact, I think some of my colleagues on this side would like that option. What they do not want to happen is for us to spend all the time on the budget resolution and then move to the CR.

In addition, I think the sooner we can take up the CR the better, because as I indicated, it might mean additional votes and fewer speeches, each of which would be welcomed.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

UNANIMOUS CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 666

Mr. MITCHELL. Mr. President, in view of the distinguished Republican leader's response, I now ask unanimous consent that the majority leader, after consultation with the Republican leader, may move to the continuing resolution, House Joint Resolution No. 666, at any time notwithstanding the pendency of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none. It is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues and I will now yield to the distinguished chairman and ranking member of the Budget Committee and will continue efforts to complete action on this agreement that will permit us to proceed as earlier suggested.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the distinguished majority leader.

PRIVILEGE OF THE FLOOR

Mr. SASSER. Mr. President, I ask unanimous consent that the following staff of the Committee on the Budget and its members be allowed to remain on the floor during consideration of the conference report to accompany House Concurrent Resolution 310:

STAFF OF THE COMMITTEE ON THE BUDGET

REGULAR FLOOR PRIVILEGES

Majority staff: Tim Ahern, Kip Banks, Agnes Bundy, Steven Burns, John Callahan, John Cestar, Alan Cohen, Bill Dauster, Kathy Deignan, Randy Devalk, Matt Greenwald, John Hilley, Phil Kardis, Charles Marr, Doug Olin, Larry Stein, Gordon Stoddard, Barry Strumpf, Ingrid Taylor, John Wagster, Paul Weech, and David Williams.

Minority staff: Hal Brayman, Jim Capretta, Charlie Flickner, William Hoagland, Bill Hughes, Krys Krystynak, Melissa Longoria, Carole McGuire, Ann Miller, Michelle Mrdeza, Adele Obermayer, Roy Phillips, Cheri Reidy, Austin Smythe, and Peter Taylor.

Nondesignated: Alison Cormack, Lisa Guzzi, Anne W. Hill, and Sue Nelson.

These individuals have privileges to be admitted without pass under a previous letter to the Sergeant at Arms.

FIFTEEN MINUTE FLOOR PRIVILEGES

Lisa Bartko, Diane Bath, Alice Benton, Louise Echols, Elaine Gaither, Andres Gatta, and Bert Gilliam.

Amy Kestnbaum, Jackie King, Cathy Mallison, Angela Nicholas, Cris Ondrick, Beth Strader, and Carolyn Willis.

STAFF OF MEMBERS OF THE COMMITTEE ON THE BUDGET

REGULAR FLOOR PRIVILEGES

Staff member: Barry Strumpf, Laura Hudson, Joan Huffer, Chris McLean, Bruce King, John Weinberger, Judy Love, Brian Wheeler, Tracey Thornton, Vi Boyer, Jeff Anders, Julius Hobson, Nancy Mitchell, Hillel Weinberg, Jeff Kumer, Kris Kolesnik, Cesar Conda, Hazen Marshall, Rachel Sotsky, Mike Solon, and Julie Dammann.

Senator on Whose behalf request is made: Senator Hollings, Senator Johnston, Senator Riegle, Senator Exon, Senator Lautenberg, Senator Simon, Senator Sanford, Senator Wirth, Senator Fowler, Senator Conrad, Senator Dodd, Senator Robb, Senator Armstrong, Senator Boschwitz, Senator Symms, Senator Grassley, Senator Kasten, Senator Nickles, Senator Rudman, Senator Gramm, and Senator Bond.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

USE OF SMALL ELECTRONIC CALCULATORS ON THE FLOOR

Mr. SASSER. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of House Concurrent Resolution 310.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. SASSER. Mr. President, we take up this particular budget resolution at a moment of governmental crisis and, of public frustration through genuine agreements, through partisan contention and, frankly, sometimes through outright petulence. We have brought this Nation to the brink of fiscal collapse. Let us remind ourselves this evening that what we do or do not do here will not shut down the Government because the facts are that this Government is presently either shut down or in the process of shutting down even as I speak. What we are doing here this evening, hopefully, is to reopen all of the offices and functions of the Federal Government Tuesday morning.

I remind my colleagues that this is not a shining moment for anyone. Our countrymen are rightly tired of it. Citizens of this country are tired of what they perceive to be an endless and fruitless debate.

I am tired of it also. I am sick to death of all the bickering that has been going on. I think it is high time we pass a budget resolution in this body this evening.

In my view, the American people are not out there asking who is to blame. They do not care. They are not asking who is the heartless program cutter. They are not asking who is the person trying to raise the taxes. The American people are simply saying, for goodness sakes, fix it; do what we are paid to do—make decisions, legislate, keep this U.S. Government functioning.

The resolution before us gives us the opportunity to do the one thing I think is most needed at the present moment, and that is to govern. It does so without reducing the agreed size of the deficit reduction that is to be achieved over the next 5 years. This remains the single largest deficit-reduction package in the history of this republic.

The deficit-reduction package that we consider this evening will preserve the original form of the summit agreement that was entered into with the President of the United States. It will achieve $40 billion in savings for fiscal year 1991 and over 5 years it will achieve $500 billion in savings.

This agreement provides the kind of flexibility that Dr. Alan Greenspan, the Chairman of the Federal Reserve Board, has said he will use to lower interest rates and to pump a needed charge into this flagging economy that either is in recession or certainly teetering on the edge of recession.

This agreement reaches these very ambitious goals while at the same time incorporating some of the hard-won wisdom of the failed effort to pass the summit agreement in the House of Representatives four evenings ago. Sometimes we learn by losing, and certainly we learned a lesson the other evening when the American people, speaking through their elected representatives in both parties, chose to reject the summit agreement that had

been hammered out in cooperation with representatives of the White House and negotiators from both the House and the Senate for both parties.

I think what we learned last week was that the legislative process simply cannot be dictated to. We learned that the American people through their telephone calls will not have their lives shaped by an arbitrary exercise in number crunching.

The fundamental correctives to those problems are simply to return the freedom of the legislative body to make necessary policy decisions, to return that authority to the committees of competent jurisdiction in the Congress.

I say to my colleagues that those committees will have fixed and reliable savings targets to achieve, but at the same time they will be free to craft their own reconciliation provisions as they have always done. Specific policies are not going to be dictated to these committees. Legislative responsibility and flexibility is not going to be usurped by the budget summit agreement.

Instead, the committee members who understand the issues, which many of them have been dealing with for years, who understand the responses of the American people to particular issues, members who have worked with these issues for many years, such as Medicare, will be deciding how to structure the necessary program, how to effectuate the necessary policy changes, and how to make the necessary deficit reductions.

That will give us the opportunity to craft an overall reconciliation bill that is more sensitive to the needs and wishes of the American people.

We are simply not going to pull a Medicare deficit reduction number out of thin air and demand that it be met with policies that Members and the American people simply will not support. We are going to have the freedoms of the normal legislative process to bring to bear on all the tax policy decisions. We are going to have the freedoms of the normal legislative process to make the decisions in health care, to make the decisions that deal with agriculture policy and the destiny of the farmers of this country.

Every decision that is made will be made by those who have the expertise and the sensitivity to do it. We will give ourselves an opportunity to avoid some of the political land mines that we blundered into when we labored beneath the blindfold of the budget summit.

We have a return to the legislative process, to state it very simply, as it was designed. In my view, that ensures that we will reach the necessary deficit reduction totals but we will do that with sufficient policy sensitivity to give the resulting reconciliation package a chance to pass, a chance to pass in the Senate and a chance to pass in the House of Representatives.

I say to my colleagues that what we seek now is a budget resolution that will provide fundamental discipline but one that will still give us the chance to pass the true reconciliation policy which will come before us in a few days that really changes the law, changes the policy, and makes the savings.

This is a budget resolution that really is in fact a budget resolution. It makes no pretense of being anything else. It simply is an aggregate of numbers which go to the various committees and charge them with the responsibility of making savings in their committee of jurisdiction or raising revenues in their particular committee of jurisdiction.

It is the first step to necessary changes int he law itself. It enables us to move the process along, to a point that we are making decisions which do, indeed, require the President's signature, which do, in fact, have the force of law, which do, in fact, affect the day-to-day lives of the citizens of this country.

But we have to stand first before we can run. I say to my colleagues let us give the process a chance to work this evening, for if we kill the seed we will never know what kind of plant it may have produced.

I am sure there are going to be those who will feel that the resolution is not specific enough, and they will make that argument. They will say this resolution is not a specific number; it does not charge this committee with saving this much out of Medicare or some other programs. They will recite recent history. They will argue, will, we cannot trust the congressional committees.

But to those of my colleagues who make that argument, let me simply say that this resolution binds us only to the dimensions of a deficit reduction package upon which I believe most of us largely agree. The policies that will reach these dimensions will be worked out in a bipartisan way in the relevant committees.

For example, the distinguished chairman of the Finance Committee—and make no mistake about it, Finance has the biggest burden to carry in this budget resolution. The chairman of that committee, the very distinguished Senator, has traditionally taken a bipartisan approach to the Finance Committee. Other committee chairmen, I am sure, will do the same. But even if bipartisanship fails at the committee level, there is always a fail-safe guarantee. If 2 weeks from now we are dissatisfied, let us say, with the work of the Finance Committee or with the work of the Commerce Committee or with the work of the Governmental Affairs Committee, the bipartisanship leadership has agreed to work together to craft a leadership amendment that will clean up and cure these disagreements.

Let us say that fail-safe mechanism fails because anything that is devised by man or woman is not perfect. We still have a final safeguard of executive prerogative. If the President of the United States does not like what we craft or fashion or produce here within the guidelines established by this agreement, why then he can simply veto it and send it back to us and repair it.

I remind you, Mr. President, and my distinguished colleagues, that the President has vetoed 14 pieces of major legislation during his administration. And we have not overridden his veto a single time. I must confess to my colleagues on the other side of the aisle. I say that with some regret. But we have not been successful in overriding this President's veto one time this year.

Of course, we will never be absolutely certain that the complicated legislative process ahead of us is going to produce all of the positive results that we hope to achieve with a real, enforceable deficit reduction package, but we can certainly all work to that end.

I submit that we can be certain of one thing: if we do not pass this budget resolution, we will never even have a hope of reaching the desired conclusion. We will have killed this agreement and more importantly, Mr. President, I fear we will lay open a partisan rift within this body that will not heal soon, and may leave this Government in a state of tattered confusion for many, many days to come.

Mr. President, I began my remarks by saying that the American people simply do not understand. They do not comprehend, and rightfully so, our inability to perform the most basic functions of a legislative body. They do not understand the continuous sniping and bickering over matters which seem abstract and largely insignificant to them.

I guess that out of the literally thousands and thousands and thousands of constituents who telephone our offices to complain about the various unappealing elements of the summit accord, not one has said that this summit agreement was defective because it contains insufficient specific reconciliation instructions, or that they disagree with this budget amendment because of the caps on domestic discretionary spending that are going to be inadequately enforced.

No, Mr. President. They told me they did not like it because it cut too much out of Medicare. That is what they were saying. Or we do not like it because it has a gasoline tax in it. We do not like it because you are not cut-

ting enough out of defense or you are not putting enough in for highways. But not one said that it had insufficiently specific reconciliation instructions. And nobody—nobody—said that the caps on domestic discretionary spending were inadequately enforced. No, of course not.

The people of this country are concerned about their daily lives. They are concerned about the services that their Government is going to deny them if we do not get it back open. They are concerned about the taxes that we are going to impose on them. They are also concerned, perhaps more than anything else, about the fundamental ability of their Government to govern. They are worried about it. They are angry about it. Quite frankly, I think they have a right to be.

So, in short, the stakes are simply too high for those of us in this body to get bogged down in procedural minutia. It is like Nero fiddling while Rome burned.

The opportunity for fighting the real policy battles of deciding what the law is going to be really is before us. And I think it should be debated at that time.

So in summation, we simply cannot allow this Government to continue the gradual shutdown that is occurring. It does not serve anyone's interest. It does not serve the interests of Democrats, certainly. It does not serve the interests of Republicans. It certainly does not serve the interests of a Republican President. It does not serve the interests of liberals or conservatives. It serves no one's interest to obstruct this process that we are trying to kick off here this evening.

So to the Members of this body on both sides of the aisle, I say that those of us who participated in the summit worked in good faith to produce an agreement, an agreement that would avert the catastrophe that is staring us brutally in the face right now, and we worked hard.

I worked hard with my distinguished colleague, Senator DOMENICI from New Mexico. While the rest of our colleagues were still on recess, we were back here in Washington rally locked up at Andrews Air Force Base for days trying to work out this summit. We have worked every Saturday and Sunday for the past 4 or 5 weekends. We left here last night, many of us, at midnight fighting to avert the catastrophe that is staring us in the face.

It is a very bitter thing for me to say, Mr. President, that we failed, and that this corrosive debate has now eaten into the very foundations of the legitimacy of our Government and into our own credibility as legislators.

I hope that tonight we can move forward and adopt this budget resolution. I urge my colleagues to act now to save the credibility of the U.S. Senate with the people of this country because, mind you, if we fail to act this evening, if we fail to pass this budget resolution, if we fail to pass a continuing resolution, and if this Government does not reopen for business as usual Tuesday morning, and if it should be ascribed to this U.S. Senate, I submit, Mr. President, that the American people will never forgive us, and they should not.

So I urge my colleagues, as we move into the debate here, to vote for this budget resolution, and after we have adopted it then we can move on to the very difficult policy decisions that are going to be ahead of us in the days and weeks.

Mr. President, I yield to the distinguished Senator from Minnesota.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I will speak briefly and then yield time to the Senator from Colorado.

Mr. President, I have not made up my mind what to do about this budget resolution. To me, it looks like the failsafes that the Senator from Tennessee speaks about are lacking; that we are not dealing in procedural minutiae, as he said, but what we really seem to be doing is extending the process for another couple of weeks without any real strong indication that it is going to come to a conclusion at that time.

What we are saying is that the leadership of the Congress could not give direction to the rest of us that would be accepted, and so we are going to give it to the committee. We hope they do a good job, and we are loosening the ties that the leadership package had upon us, and in loosening the ties we say to the committee, "now, you do it."

The distinguished Senator from Tennessee talks about the fact that we are now going to give it to the committees, to the nonpartisan committee chairman he spoke about. I sometimes wonder if he is in the same body that I am in. I have not noticed that the committee chairmen are nonpartisan or that we on our side are nonpartisan in this or in other matters.

I talked to a number of the people who called my office, and I had the director of my State operation in Minnesota talk to them, so that they would be answered by someone who had a detailed understanding of the process and of what we were doing. What they really said to us was, yes, some said, Medicare cuts were unbearable, but by and large they had a misunderstanding of what those so-called cuts were. They said in some instances, yes, the gas tax was too high. But by and large they expressed the lack of confidence in the Congress. They sometimes did not say it; they were just made. They were mad that we could not agree, and that in the process of not agreeing, that we were going to impose upon them some additional burdens. They were not quite sure what those burdens were.

In listening to the news and in listening to some of the networks, who kind of accumulated all this 5-year burden into one large figure, they certainly were scared. And they thought, here goes the Congress again, and their confidence in the Congress has fallen to new, lower levels.

Frankly, if you look at polls of some of the Members on both sides of the aisle, it is reflected in their reelection numbers, it is reflected in the margins they have or the margins that are developing against them, that indeed people are annoyed with us.

What we are doing now, in my judgment, is that we are going to pass a continuing resolution for the better part of 2 weeks, and then we are going to give it to the committees and say we are not going to give you as much direction as the leadership gave you, but do the best you can.

I differ with my colleague from Tennessee, that this is a failsafe type of mechanism or a failsafe type of procedure, because this agreement that we are giving them is certainly less precise than the agreement that the leadership worked out, for which I was prepared to vote.

This agreement comes with no mandates, because most budget agreements do not come with mandates as to how to achieve the goals that are set in the budget agreement; yet, while those goals might be mandated, the ways of getting there are not mandated. So I am afraid that we are just going to find ourselves 10 or 12 days down the road here with something that the committees have come up with, in which there has been enormous amount of effort made by every lobbyist in the country.

It is going to be a marvelous windfall for all the hotels and for the airlines, because we are going to be descended upon; there is no question about that. We are going to be descended upon by those who seek to protect their interests, and those interests can be very narrow.

There are 2 more weeks of that which we now have before us. I am afraid that at the end of those 2 weeks, we are not going to be nearer to a conclusion than we are tonight.

Look at closing down the Government and creating something of a crisis: I am afraid that these bodies, the Congress of the United States, the House and Senate, cannot operate well unless we have a crisis before us. Then that crisis becomes a mandate, and the outrage of the people that the crisis creates becomes a mandate, that results in our moving to a better, a more formidable, and a more enforceable

type of budget agreement. I do not think we are doing that now.

Unless the chairman has somebody who wants to speak on his side, I will yield to the Senator from Colorado.

Mr. SASSER. I say to the Senator from Minnesota that we have nobody wishing to speak at this time.

Mr. BOSCHWITZ. I yield to the Senator from Colorado. How much time is the Senator requesting?

Mr. ARMSTRONG. I would be pleased if the Senator would yield me not to exceed 30 minutes.

Mr. BOSCHWITZ. I yield 30 minutes to the Senator from Colorado.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Colorado.

Mr. ARMSTRONG. Madam President, this whole budget crisis and our role in it is being discussed in very stern, even stirring, dramatic terms here tonight. In fact, it is being portrayed almost in heroic terms. Here is a tiny band of Senators and a handful of others who are bravely standing up to this deficit monster who somehow are trying to stem the tide and perform this heroic service for an uncaring country, for an ungrateful country.

Madam President, that may be the way it looks to some Members. It does not look that way to me. My hunch is, out in the country they do not think we look like heroes. They think we look like jerks.

The Denver Post summed it up:

> The annual Federal budget crises are as predictable—and their resolutions almost as fictional—as the recurring crises on daytime TV soap operas.
>
> This low-rated series, which might be titled "As the Economy Churns," annually stars the Federal Government preparing to shut down because the Gramm-Rudman budget law supposedly mandates sharp cuts in the deficit. At the last minute, Congress and the administration announce an agreement that keeps the Nation's airports and hospitals running and purports to begin solving America's long-term budget woes.
>
> The latter promise is never kept, of course, and there is little reason to think that the latest fiscal patchwork is any different. President Bush and congressional leaders claim the agreement reached over the weekend will trim $500 billion from the deficit over 5 years. However, as it has been with past fixes, most of those purported savings are to happen during the final years of the agreement, which makes them about as reliable as the estimates of 5 years ago showing how the deficit would be eliminated by this year.

Mr. President, the Denver Post goes on and critiques the outline of the agreement and then sums up with, I think, quite a memorable paragraph:

> A television soap opera whose crises were this predictable would be canceled for bad ratings. It can only be hoped that the voters are just as demanding in the voting booths this fall as they are in the Nielsen surveys.

Madam President, I ask unanimous consent that this Denver Post editorial appear at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. ARMSTRONG. Madam President, as we begin the debate on this budget resolution, I cannot help remembering what happened when one of our colleagues was supposed to have been seen wondering around the Capitol with a glum look on his face. So the story goes, he was greeted with a hearty hello by one of his colleagues who said, "Cheer up; things could be worse." He reported afterward, "Well, I cheered up and, sure enough, things got worse."

That is sort of how I feel tonight, because when they announced this budget package a week ago, I felt pretty bad. I listened to the President, and he had invested a lot of his personal prestige in this. I listened to the leaders. They wanted to have a chance to present this package. I withheld any public comment until this time. And as I cheered, things got worse.

The truth of the matter is that this package that comes before us tonight is basically just like the package that came out a week ago, only it is a little worse.

The original summit package represented either the largest or the second largest increase in taxes in the history of our country, depending on whose figures you believe.

The Wall Street Journal, which is known for pretty insighful appraisal of these things, says it is the largest increase in taxes in the Nation's history. A congressional staffer whose judgment I respect points out that it may only be true if you include the so-called fees along with the taxes and roll them together. And even so, it may not be as large as the TEFRA tax increase of a few years ago.

But whether it is the largest tax increase or the second largest tax increase in history, this package is full of large, burdensome increases in taxes on gasoline and oil. There is an increase in personal tax rates, although it is cleverly disguised as a change in the itemized deductions for individuals. The way that works, it amounts to, I guess, about another 1-person increase on income tax brackets, and there is a tax on beer, automobiles, boats, furs, jewelry, and so on.

There are even, buried deep down inside the original budget package, some rather arcane but still rather significant increases in such thing as the taxes paid by corporations. They have a proposal in there which says that if you do not pay income taxes because of a dispute, if there is a judgment of a lawsuit, or something against a corporation where a matter has largest tax increase in history, this package is full of large, burdensome increases in taxes on gasoline and oil. There is an increase in personal tax rates, although it is cleverly disguised as a change in the itemized deductions for individuals. The way that works, it amounts to, I guess, about another 1-percent increase on inomce tax brackets, and there is a tax on beer, automobiles, boats, furs, jewelry, and so on.

There are even, buried deep down inside the original budget package, some rather arcane but still rather significant increases in such things as the taxes paid by corporations. They have a proposal in there which says that if you do not pay income taxes because of a dispute, if there is a judgment of a lawsuit, or something against a corporation where a matter has been in dispute, then you are charged interest.

That, of course, is the present law. What is new in this package is that that interest which is charged to a corporation under those circumstances is no longer deductible as a business expense for computing the taxes of that corporation.

I leave it to you whether or not that is fair. It seems to me that it is not. But the fact of the matter is that it represents another huge increase in taxes.

This new package that comes before us tonight is different in two or three ways. First of all, there are fewer savings in this package. One of the salient features of this proposal is that they have reduced somewhat the amount of savings that were expected to be obtained on the spending side. Second, there will be an increase of $10 to $20 billion in taxes above the $154 billion in the original package, which came out 7 days ago.

One is almost tempted to say we better pass it quick because it is getting steadily worse; and we better take this before it deteriorates any further. I also note in this package there is a significant change from the prior version in that we have no assurance of how these taxes will be structured. I want to say more about that in a moment, but that is a very, very significant change.

Now we have been told budget resolutions do not have detail, and that is true. But the prior package at least comes forward to us with a pledge by the joint leadership in this body and in the other body and from the White House that, if the final package did not meet a certain set of rather detailed specifications, it would be killed and that the leaders and the President would join in doing so.

We do not have any such assurance about this package, and so within a very few days we may face a tax package and for that matter a spending package quite different than anything that was originally contemplated.

Madam President, I would like to review briefly some of the arguments that have been presented in support of

this package. Perhaps the most novel was suggested by the Senator from Tennessee a few minutes ago when he said we really need this kind of a package in order to ward off the threat of a recession.

Madam President, I agree with one of the newspaper writers—I think it was Tom Wicker, but I am not sure—who said that the idea of—and by the way, as the Rocky Mountain News noted, Mr. Wicker is not thought of generally as a fan of small government, but his point was this: That the notion of a huge tax increase to ward off a recession is more or less the same as using blood in the water as shark repellent.

This is Herbert Hoover's worst nightmare being started again. Heading into a recession, and most economists agree that we are on the brink of a recession probably the most unlikely proposal that most of us would think of is to cope with a recession by raising taxes, and not just raising one tax a little, but by raising every tax we can think of by quite a bit and in fact to come forward with the first or second largest tax increase in the history of our country.

Madam President, if tax increases make us strong, the proposition about which I have a lot of doubt, then our country must already be stronger than gangbusters, because in the last few years, we had tax increase after tax increase.

Some people have been sharing the experience they had with constituents, the phone calls, letters, and other contacts they had. I had contact with people, too, and I have yet to have typical constituents—I am not talking about inside the Beltway experts; somebody who works for think tanks or the White House or Congress—a person from home, a business person, a homemaker, somebody trying to make ends meet. I have yet to have even one such person approach me and look me in the eye and say, "You know, we are a little undertaxed. We think that this country really would be stronger and better, the economy would perform better, our life would be better if you just raised the gas tax, beertax, jewelry tax, fur tax, income tax, heating oil tax, and anything else that you might be able to think of."

Madam President, on the contrary, I find in talking to people at home that most of them seem to think that taxes are plenty high enough. They do not have access to detailed information about taxes and spending, but all Senators do. And all Senators know that as recently as fiscal year 1987, the receipts of this Government were $854 billion. This year, they are going to be about $1.67 trillion, an increase of $200 billion in just about 3 years.

I would say that is a pretty healthy increase. In fact, if you want to go back further, in 1960, receipts of this Government were $92 billion. That may seem like a long time ago to somebody, but you know when you reach a certain age you have a little greater sense of history and perspective, and 1960 is not that long ago.

In 1980, which is scarcely an eternity ago, the total receipts from taxes in this country for the Federal Government were $520 billion. This year, they are more than twice that. And yet we have the proposal before us tonight to increase the rates of taxation on practically every kind of human activity that is known to man.

Let me just say, Madam President, that if taxes are the secret to a strong economy and to a strong, growing country, then we must already be very, very strong indeed.

Madam President, the Senator from Tennessee has also suggested that, by gosh, we have to pass this budget resolution to reopen the Government. I do not know if that is true or not, but evidently the President does not think so because a couple nights ago, he vetoed the continuing resolution.

And in exploration of that, he cited a memorandum of law which has been presented to him which he and his staff believe to make clear that he has the power to keep the Government running, to keep all the essential functions of Government going, not just for a day or two, but indefinitely if necessary. That is to say, he is going to keep the Social Security checks going out, the FAA controllers at work, keep the Army guarding our country and the ships at sea steaming and the Desert Shield operation in Saudi Arabia going on.

I do not know whether or not this legal opinion is valid. I have not read it. Someday when I have a chance, I would like to. But it is my understanding from those who have looked at it that the President has, under existing statute and under his powers as Commander in Chief, sufficient authority to keep all of the functions of Government which he deems to be essential in place and running.

And in any case, even if that is completely dead wrong, we do not have to pass the budget resolution in order to reopen the Government, as the Senator from Tennessee put it, because right after this we are going to vote on a continuing resolution, and the continuing resolution would have that effect if indeed the President lacks the legal authority that he thinks he has.

The Senator from Tennessee also made the point that if we do not pass this quickly, we are liable to see some kind of partisan rift right here in the U.S. Senate. I say, ladies and gentlemen, it is about time we had a partisan rift around here.

One of the things gone haywire in this process is the attempt to smoke over, to obfuscate, to somehow diffuse the partisan differences in this Chamber. I do not always agree with everything the majority leader says. I agree with his statement on television the other night when he said there are deep and lasting real differences of opinion between Republicans in this Chamber and Democrats. But the way we have been acting portrayed either we do not believe that, or somehow we do not want the voters at home to know what those differences are.

I agree with the Wall Street Journal. What the United States dearly needs right now is a large, national debate over its priorities. Senator MITCHELL is right. There are deep, philosophical differences between the political ideologies of this country.

The purpose—hear this well, my colleagues, because this is getting lost in the shuffle—the purpose of a functioning democratic system is to clarify and resolve those differences, utimately, with elections in which the voters choose between two positions.

Well, now we have just been treated to about 5½ months in which the leaders of both parties have tried to find ways to avoid letting those differences of opinion come out in public, for understandable reasons. But in doing so they cheat the public out of the opportunity to know what is going on and to make an informed decision. So I reject the notion that we ought to vote for this budget resolution in order to avoid partisan discussions. That is what this is all about. We are not talking about personal discussion, we are not talking about personal animosities. We are talking about, among friends, among professional colleagues, deep, lasting differences of opinion which our voters at home have hired us and sent us here to debate and to discuss and to vote on, not to obfuscate.

Mr. President, one of the things we are told of this resolution is it does not really mean anything. This is just to keep the process moving. Now, that is a little different argument than the Senator from Tennessee made. He said this is a big, crucial issue of national policy. But in the cloakrooms and caucus rooms and out behind the scenes what at least some Senators have heard is, "You can vote for this; it doesn't really mean anything. It just keeps the processing going."

Well, this is real. This is a real policy decision. This is not the breakdown of the system. This is how the system is supposed to work. The system has been broken down all year. The system was broken down when the Budget Committee earlier this year decided it did not have the willpower or the courage or the information or the time to really develop a budget resolution. So we just sent out a pro forma resolution to the floor. And when it got to the floor, we said, "Well, this is too controversial, too

time-consuming," or something. So instead of having a debate on it and offering amendments and considering it, we just took it up and had a voice vote. There was no rollcall. Nobody knew anything. And it went off to conference and has been there ever since about mid-May and now it has finally come back.

All that time the system was broken. All that time from May 15, when a budget resolution is required by law to be considered, until now, the system was not working. Now, at long last it is working. And yet some people are being invited to vote for this on the grounds that well, this does not matter. I mean, it is not real. We are not shooting with real bullets.

I will tell you what is real about it. What is real about it is at least $150 billion in taxes. Now, if anybody thinks they are voting for this and it is just voting for a process, just voting to continue the consideration of this matter, they ought to think again. Because a vote for this budget resolution is a vote for a minimum of $150 billion in new taxes. You cannot tell for sure whether those are income taxes, gas taxes, oil taxes, or cigarette taxes. And we are all free to interpret in any way we want to how much of the tax burden is going to fall on which group of taxpayers and to say to ourselves, "Look, when the reconciliation bill comes back I do not have to vote for it. Just because I vote for the budget resolution does not mean that I am going to vote for the tax bill which follows." That, of course, is true. The reality is, if you vote for this, you are putting yourself on record in favor of the proposition that what this country needs as we teeter on the brink of a recession is a $150 billion tax increase.

Let me tell you something else that is real in this budget resolution. That is the mandate to increase the debt of this country by $1.9 trillion. I cannot tell you which page it is on, but somewhere very deep in this budget resolution is a 5-year increase in the national debt.

I was talking earlier about tax revenues. Let me just put in perspective the national debt. In 1960, a lot of people were alarmed about the growth of the national debt. It stood in that year at $283 billion. By 1980, it had gone to the breathtaking sum of $520 billion. I happen to remember what it was in 1978 because, when I ran, one of the things I accused my opponent of, one of the things I hung right around his neck was that he voted to increase the debt of this country to the staggering sum of $483 billion. And out our way people felt that was a little too much.

By 1985, it had risen to $734 billion. I beg your pardon. It had risen, by 1985, to $1.823 trillion. Somehow the word "trillion" does not come readily to one's lips. Now we have a national debt of about $3 trillion. If we vote for this budget resolution, anyone who chooses to do so, you are voting to increase it to $5 billion. That is real.

Mr. BOSCHWITZ. Trillion.

Mr. ARMSTRONG. Trillion. I thank the Senator from Minnesota. Somehow that word "trillion" just sticks in my throat. That is real.

I will tell you something else that is real. Anybody who thinks they are going to have some political cover to vote for this resolution and then pick and choose among the propositions that follow it better face the reality that when that happens, when the bill comes back, the first thing they are going to say is, "Well, look, you voted for the budget resolution. Are you now not prepared to vote for measures that follow?" Then there are variations on that theme.

Anyway, that is what I am against. I can just hear somebody saying, "Fine. You are against all this stuff. What is it substantially that you are for?" Well, I will tell you what I am for. I am for two broad propositions: First, reform of the budget process, because it has become a national joke.

One of our colleagues earlier said that he thought there were doubts about the Senate's credibility, that the public doubted the credibility of the Senate. Well, I tell my colleague he better wake up and smell the coffee, in Abigail Van Buren's memorable phrase.

Voters do not have any doubt about the credibility of the Senate. They made a decision about that. They do not believe in the Senate. A recent nationwide poll showed, among others, far beyond whether they think we have credibility on budget issues. Only 30 percent of the people in this country in a recent survey think that Members of Congress always or almost always tell the truth on any subject. People are not beginning to doubt our ability to govern. They know we have failed. They know that we have let down our responsibility. They know this process is a colossal flop. They also know that we are taking a dog-in-the-manger attitude.

Mr. MACK. Will the Senator yield?

Mr. ARMSTRONG. I wonder if the Senator from Florida knows where the phrase "dog in the manger" comes from?

Mr. MACK. It certainly is not the reason I asked the Senator to yield. I would be happy to hear the answer to that question.

Mr. ARMSTRONG. The answer to the question is that this comes from Aesop's fables. The dog got in the manger and barked and scared the cattle away. He would not eat the straw himself, and yet he would not let them eat it either.

Congress is doing the same thing. Congress will not balance the budget, will not show any fiscal responsibility, yet they also deny to the President the line-item veto and the other tools by which he could balance the budget. That is why I say it is like the dog in the manger.

Mr. MACK. The reason I asked the Senator to yield is that when he said "budget reform," I know that one of the thoughts that has come to my mind during this past year or so is that I really believe that there ought to be a repeal of the Budget Act of 1974, I believe that is when the Budget Act was put into place. I know my initial reaction to that when it was first proposed several years ago while I was serving on the Budget Committee in the House was that should not happen. But now that I look and see what has happened, it seems to me that the Budget Act of 1974 allowed us to begin talking about a multiyear budget process; that is, a series of spending and taxing decisions over a 5-year period. What is interesting to me, it seems that every year that we have put together a budget resolution, the tough decisions about what spending should be reduced or what taxes ought to be raised are pushed out into the outyears and we claim all of these. A little later on I will touch on that.

Mr. ARMSTRONG. Backloading.

Mr. MACK. I think it is important for people to focus on this budget resolution and ask what does it do in the first year and what does it purport to do in the second, third, fourth, and fifth years.

Mr. ARMSTRONG. I thank the Senator for his contribution. Anybody who follows the budget debates around here knows the Senator from Florida is not only one of the best-informed but he is also one of the most thoughtful Members of this body and is increasingly recognized as a leader in consideration of these matters. He is absolutely right. This thing is backloaded just as most of these budget deals are.

Well, I started to say what it is I am for. First, I am for process reform, and, second, I am for spending cuts. You do not have to cut anything to balance the budget. The truth of the matter is if you just went to a freeze or partial freeze, that over 5 years or a reasonable period of time you could get this thing in balance. I personally would like to go much further. I would like, for example, to cut back on the appropriations bills we have put through this year. They are running 10 and 12 percent ahead of last year. I would hold them to no increase. I would go for a freeze.

But I would go for more than that. Personally—I think I am one of just a handful in this regard—I would freeze all the cost-of-living adjustment programs, Social Security, veterans, you name it. You do not have to do that. You do not have to take that kind of

bitter medicine to get the budget in balance. All you really have to do is something simple like take the defense cuts, plus a nondefense discretionary freeze for a couple of years and over a 5-year period that would make a big, big dent in the whole thing.

Personally, I would like to go further. I would like to cut defense. It is obvious we are going to do that. I am ready to cut agriculture, and I am from a farm State, but we ought to phase out of that business. I am not just here saying that tonight, I have been home to tell my farmers about that and a lot of them agree with me. It is not as if we spend an enormous amount of money helping the farmers. The fact is the farm program have bankrupted the farmers.

We have poured a torrent of Federal money into programs which, in the end, have not only been useless, they have been self defeating. They have made the situation for the family farmer much worse than it was a generation ago.

If my colleagues do not believe me, talk to the cattlemen and say to them, how would you like to be in the cattle industry under the same kind of programs of Federal support that we have for corn and wheat? Senators will find out fast what people who are not under these programs think of them.

I think we ought to do something to reform Medicare and yes, I think we ought to do it sooner rather than later. There is nothing wrong with the idea of saving some money in Medicare and there is certainly nothing wrong with the idea that relatively high-income families ought to pay a larger fraction of their own health care. I say whether it is by means testing or however we want to do it, it is time to reform Medicare.

I think we ought to curtail or abolish Amtrak. Again I am not running for anything so it is easy for me to say that. But when I was, I made it a point to go to Lamar, CO, where Amtrak enters my State and looked the voters in the eye. I said, folks, we know you love to have the train coming through here every day, but for sound national policy reasons I think we ought to abolish it. We had a good discussion and as far as I could tell, after we got done, they agreed.

I believe we are, in a lot of cases, underrating the people we represent. If we leveled with them and just said look, we have to make cuts in everything, most of them would agree.

Housing programs. We have 6 million units of subsidized housing in this country. Surely that is enough, without passing an enormous increase in the programs of subsidized housing. Could we not just reallocate some of the units we have that went to middle- and upper-income people, to low-income people and solve the problem that way instead of adding $10 or $15 or $20 billion of new subsidized housing units this year, especially in those programs which have been so scandal ridden?

Then, I think we could save a couple of billion dollars or at least a half a billion dollars in the operations of Congress itself. We are spending about $2 billion a year to run this place. Does anybody believe if we wanted to, we could not scale back by $300 or $400 or $500 million?

What is wrong with this budget package is not that it is too severe, not that it is too draconian, but it is too little, too late. The public has been excluded. There is too little accountability because so much was drawn up behind closed doors. I can remember when leadership consisted of trying to figure out what the country needed and then going around trying to sell it to the people. Now leadership, it seems to me, is can you put together a package without anybody knowing whose fingerprints are on the component parts of the package.

I think it is time for us to decide what are we willing to do if we really care about this and we are not just crying wolf. I think it is a serious problem. I believe the deficit is a problem which will come back to haunt us, is already haunting us. Our children cannot get jobs as good as they would like because of this deficit. We have become the world's largest debtor nation. We were the biggest creditor Nation a decade ago. Interest rates have ratcheted up and we are leaving behind a heritage of diminished prospects, not only for our children, but their children as well. It is not the end of the world. We are going to muddle through. Things are going to be OK but not good either.

As Senators, we ought to look ourselves in the eye when we get up in the morning and ask ourselves this question: Here we are, the leaders of the greatest nation in the world; a nation of people who are prudent, thrifty, hardworking, and sensible. And we are the leaders who have given these people a government which is none of these things.

Madam President, in closing I would like to say exactly what I would like to do next. If this budget resolution should perchance be defeated, which I doubt, what would I like to do next? I would like to do five things. I will tick them off.

First, I would like to pass a continuing resolution with a $40 billion sequester included in it on a very short time fuse; a week or 10 days, with a sequester built into it, but only lasting for a few days, as point No. 1.

Point No. 2, send our committees out and tell them to come back with the best package they can, not under reconciliation instruction that limits debate, but just under the regular procedures of the House and Senate with a short deadline and lots of moral suasion.

Third, I would like to make that continuing resolution with its sequester permanent, unless the committees come up with something better.

Fourth, I would like to give the President emergency power while Congress is in recess to exercise some discretion, some version of the line item veto or of enhanced rescission.

And then fifth, I think we ought to go home and beg the forgiveness of our constituents for not doing much, much better.

EXHIBIT 1

AS THE ECONOMY CHURNS

The annual federal budget crises are as predictable—and their resolution almost as fictional—as the recurring crises on daytime TV soap operas.

This low-rated series, which might be titled "As the economy churns," annually stars the federal government preparing to shut down because the Gramm-Rudman budget law supposedly mandates sharp cuts in the deficit. At the last minute, Congress and the administration announce an agreement that keeps the nation's airports and hospitals running and purports to begin solving America's long-term budget woes.

The latter promise is never kept, of course, and there is little reason to think the latest fiscal patchwork is any different. President Bush and congressional leaders claim the agreement reached over the weekend will trim $500 billion from the deficit over five years. However, as it has been with past fixes, most of those purported savings are to happen during the final years of the agreement—which makes them about as reliable as the estimates of five years ago showing how the deficit would be eliminated by this year.

The agreement does appear to reduce the upcoming deficit by about $40 billion, mostly because of higher taxes on alcohol, cigarettes, gasoline and luxury goods. The deal also imposes a petroleum tax and a significant boost in Medicare premiums and raises taxes on the wealthy slightly by limiting the deductions of those who make over $100,000 a year.

Yet even that new revenue may not stop the deficit from growing this year. That's because on Sunday, Budget Director Richard Darman increased the estimate for the fiscal 1991 deficit to $293.7 billion. That is a sharp increase from $231 billion he estimated in July.

Deficit estimates have been soaring because of the faltering economy and the mushrooming costs of the savings-and-loan bailout. A shooting war in the Persian Gulf or persistence of the current $40 a barrel price for crude oil could make the performance even worse.

Finally, there is the risk that the economy, overstimulated and robbed of investment by the fiscal grotesqueries of the Reagan years, may simply collapse on the canvas.

Economic forecasting is a notoriously difficult art, and taxpayers shouldn't hold politicans responsible for the fine details. But they can—and should—hold Congress and Bush accountable for continuing to view the budget purely as political theater, to be tinkered with as campaign applause lines dictate.

For eight years under former President Reagan's "What, me worry?" borrowing binge, the nation lacked a clear blueprint to put its fiscal house in order. Two years into the Bush administration, we still don't have one.

A television soap opera whose crises were this predictable would be canceled for bad ratings. It can only be hoped that the voters are just as demanding in the voting booths this fall as they are in the Nielsen surveys.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself up to 30 minutes.

The PRESIDING OFFICER. The Senator from New Mexico, ranking member of the Budget Committee, is recognized.

Mr. DOMENICI. I was not present as Senator BOSCHWITZ was handling matters for me. If there was a different arrangement I surely do not want to change that. Was there an arrangement made for someone else to speak?

Mr. BOSCHWITZ. I would say to the distinguished Senator from New Mexico that the Senator from Florida asked if he could speak after the Senator from Colorado. I responded if no one was there from the other side who wanted to speak, he could.

Of course, the Senator is running the floor for us.

Mr. DOMENICI. Senator, I am going to change my request to 2 minutes and then you are next.

Mr. MACK. I thank my colleague.

Mr. DOMENICI. I yield myself 2 minutes. Then I want to yield to the Senator from Florida.

The PRESIDING OFFICER. Without objection.

Mr. DOMENICI. Mr. President, I am going to speak a little more than this 2 minutes unless we are ready to do the CR, and want to get this thing finished off. Then I will probably restrain my remarks. Otherwise, I am probably going to take a half-hour sometime during the evening.

Let me say there is no one in this body I respect more than the very distinguished Senator from Colorado. As I heard him speak so eloquently about what he would do, I harken back to a day when I had arrived in the U.S. Senate. I think I had been here a year and a half. I was sitting in my front room. My last born are twins. They were 6 years old and I was told I did not have to come to work very early so I did not have to leave. They were there. I could stay until about 8:30, instead of leaving at 6 or 6:30.

They were watching television, and it disturbed me because they were not interested in me. So I pulled up close to them and I started talking to them. They really were not interested. I pushed a little harder. Finally one of them looked back over her shoulder and said: Daddy, you is no king. You is just a Senator.

It seems to me I would like very much to stand before the U.S. Senate as one of 100, on the Republican side of the aisle, where there is also a Democratic side of the aisle, and I would like to say that I do not want to do this because I have a better plan.

As a matter of fact, I would like to share with my colleagues my plan. The only problem is that my plan is terribly irrelevant because I am only one Senator and the U.S. Senate has to reduce this deficit.

It seems to me, what we are trying to accomplish with a President who is Republican, a Republican minority here in the Senate and a majority on the other side that are Democrats, we are trying to put together a package of deficit reduction activities and actions that will achieve $500 billion in deficit reduction over 5 years that will pass the U.S. Senate; that will be signed by the President of the United States; that will pass the U.S. House. If that is not our goal, we ought to quit now and everyone can give speeches, and we can all tell our people what we would do.

It is absolutely right that people say they are not going to vote for this if they do not want to. It is absolutely right, under our system, that they tell us what they would do. And it is absolutely right that they apply their philosophy to this—absolutely right.

When all of that is finished, we have to decide, as a U.S. Senate, whether we are going to get the first step in deficit reduction or not. And I will have something further to say in the evening, as to why I believe, under the circumstances, we better proceed to pass this resolution and take the first step in trying to get 500 billion dollars' worth of deficit reduction.

I do say to my friend who is the next speaker, that he made a point about 1-year budgets, and first year versus second and third and fourth years. I did not want to interrupt.

If we look at the reconciliation package, that is the committees being ordered to do things, some of which are very distasteful because they are taxes. Some are very distasteful because they are entitlements. Some we do not like but, nonetheless, take them all and list them.

If, in fact, they do their job and when they come back and we bring this reconciliation bill here, if I bring it here and lay it before the Senate, if they have done their job, I just want to make the point that each year in the next 5, there are savings and/or revenues that come from those activities. That is why we are getting 5-year events, 5-year effect.

We can talk about other accounts in another way, but I do believe it is absolutely urgent that many Senators who are wondering about this understand that if the entitlement and tax package is achieved, the only thing we have to control in the outyears is the appropriated accounts, and before we are finished, we will discuss budget process reform because it is contemplated by this summit event, dramatic budget process reform without which we should not vote for the final package when it comes over.

I will be pleased to yield. How much time does the Senator ask for?

Mr. MACK. I believe I would not take more than 15 minutes.

Mr. DOMENICI. I yield 15 minutes to the distinguished junior Senator from Florida.

Mr. DODD. Parliamentary inquiry, Mr. President. Who is controlling the time?

The PRESIDING OFFICER. Will the Senator withhold?

Mr. DODD. Parliamentary inquiry. Who is controlling the time?

The PRESIDING OFFICER. The Senator from Tennessee [Mr. SASSER] is controlling the side for the Democrats; the Senator from Minnesota [Mr. BOSCHWITZ] has been designated by the minority leader to control time. It has subsequently, temporarily, been assumed by the Senator from New Mexico.

Mr. DOMENICI. I might say to my good friend, I was going to use mine to speak for half an hour. Senator MACK arranged to speak for 15 minutes. I did not use my half hour. Presumably, when he is finished, we will start rotating.

Mr. DODD. I thank my colleague.

The PRESIDING OFFICER. Will the Senator from Florida withhold? The Senator has yielded how much time to the Senator from Florida?

Mr. DOMENICI. Fifteen minutes.

The PRESIDING OFFICER. The Senator from Florida may proceed for 15 minutes.

Mr. MACK. Mr. President, let me again thank the Senator from New Mexico for both yielding the time and for his comments with respect to the reconciliation package, which I do understand. Also I want to say to my distinguished colleague and friend, the Senator from Colorado, I thank him for his kind comments a few moments earlier.

I rise to indicate at the beginning of my comments that I will be opposing this package for a number of reasons, the first of which is because I view it as being a tax package. I see it raising $165 billion in taxes, and I will touch on that a little bit later. Second, I do not believe it really cuts Federal spending. One of the reasons that I believe that goes to the point that Senator ARMSTRONG and I spoke about a few minutes ago and that is because it shifts the major spending reductions into the outyears.

Third, I would raise the point that there is nothing in this package that encourages economic growth, and I make this point. If we really are serious about doing something about the

deficit, the first thing we have to do is to make sure that we have a growing economy.

Last, I will say, as important as the others, is that, frankly, it makes me angry to find that we are still talking about roughly 50 percent of the domestic savings of this plan coming out of Medicare. Maybe I ought to try to explain how I arrived at 50 percent. We were originally told that domestic savings would be $119 billion. If we take $14 billion of that which, in fact, are user fees, we are down to $105 billion. As I understand it in the agreement that has been worked out—I do not really have all the details—roughly $10 billion of the Medicare reductions have been put back into place. So we are roughly talking about $50 billion in Medicare reductions. That is $50 billion out of a package of $105 billion domestic, and I claim that is pretty close to 50 percent. I think that is just too large to ask one group of Americans to pay in this deficit reduction package.

Let me frame the debate, again, from my perspective. The two most significant myths that have come out of Washington and come out of the Congress of the United States over the last several years are that Federal spending has been cut to the bone; that there really is not anything else that can be done to Federal spending. And the second is that the huge tax cuts that went into effect in 1981 created the deficit that we are dealing with today.

Let me address both of them. Again, reality, and Senator ARMSTRONG touched on these. In 1981, Federal spending was $75.8 billion. The estimate for 1990 is $1.2 trillion. It is hard for me to see how Federal spending has been cut to the bone.

With respect to taxes, if we go back to 1980, roughly $520 billion in taxes were collected in 1980. In 1990, as the Senator from Colorado indicated, $1,067,000,000 in taxes were collected in 1990. My point is that we are not here today dealing with this issue because Federal spending has been cut to the bone. It is because we have not done enough with respect to Federal spending.

One of the things that I have heard almost in the entire 8 years that I have been in Washington in the Congress, 6 years in the House, 2 years in the Senate, and this is actual wording: "Any fool knows that the only way to solve this problem is to raise taxes" as if raising the taxes would do away with the Federal spending problem and we solved the problem.

Let me make a couple of points here. Since 1982, there have been 13 different tax packages passed through the Congress. The Tax Equity and Fiscal Responsibility Act of 1982; the Highway Revenue Act, gasoline tax; Social Security amendments of 1983; Railroad Retirement Revenue Act of 1983; Deficit Reduction Act of 1984; Consolidated Omnibus Reconciliation Act of 1985; Omnibus Budget Reconciliation Act of 1986; Superfund amendments, continuing resolution; omnibus budget resolution, 1987; continuing resolution; Medicare catastrophic coverage, one of the 13, the only one that has been repealed; and the Family Support Act of 1988.

The calculation is that those tax increases from 1982 to 1989 amounted to $851 billion of tax increases. I just really ask the question: How much do we need? How much does this Government really need?

The reason I do not believe that this plan will work is very, very simple. Two points: One, there are 190,000 line items of the Federal budget—190,000 line items. I have been told that maybe one of those line items will disappear as a result of this budget resolution.

The second point is, and I heard this on C-SPAN yesterday while I was watching to see when we were coming back down here, one of the individuals who called in said they were looking at a Federal Register of some kind and indicated that there are 1,176 Federal programs. And I am pretty confident about this next statement. None of those Federal programs will disappear as a result of this budget resolution.

Again, I have to say to my colleagues both on the Democrat side and the Republican side, there is only one way to get control of this. We have to eliminate some Federal spending programs. If we can imagine there are 1,176 of these programs gobbling up every dollar that possibly can come into the coffers, and even with $850 billion over the last 8 years, that is not enough. I just ask people, what is enough?

This plan calls for, it says, $133 billion in taxes. There are $133 billion in what people refer to as taxes. Then there is $14 billion in what are called user fees. That is a way of funding the Government, any way you want to look at it. The last time I heard there was $18 billion in here of premium increases for Medicare. That brings the tax package to $165 billion. I think that this is, again, relying way too much on the tax side and not enough on the spending side.

Again, my colleagues have heard me say a couple of times, how much is enough? When is it going to stop? Is it not interesting that just last week the head of the General Accounting Office, Mr. Bowsher, said that these taxes, after they are passed, will not be enough; that the Congress will have to come back and raise more taxes a year from now, certainly within 3 years. Again, I think that makes my point, that as long as you leave all the Federal programs in place, it is just going to require more and more taxes each year to fund them.

Again, another study was done by Professor Hathaway several years ago. He looked at the taxing pattern of the Federal Government over a 40-year period and drew the conclusion that for every new $1 in taxes raised at the Federal level, the Congress found $1.58 to spend. I say if you look at this package, it indicates the same thing. You would conclude that as a result of this package there would be less Federal spending in 1995 than there is in 1990. That is absolutely wrong. The number goes up some $260 billion over the next 5 years. There is no cut in Federal spending.

I am going to say something now that is very elementary, but I think it needs to be said because nobody understands what we mean by a spending cut in the Congress of the United States. Let me use an example.

I have a young son. I say to Connie, look, we have $100 to spend for you to go to the movies. That is what you spent last year. We have to do something about it. What about a 5-percent cut. Do you know what Connie's reaction would be? He would say, gee, that means I only have $95 to spend next year.

That is not the way we do it in the Congress of the United States. We say that since the cost of the movies are going to go up, let us see, we would have to project then about $110 in spending for my young son to go to the movies. So, a 5 percent cut means that we only have $105 this next year to go to the movies. You see, that is a $5 increase in spending, not a $5 cut in spending. I think people understand that.

So when you hear people say around here we are cutting Federal spending, that is not what is happening. We are cutting Federal spending from an imaginary line that is increasing year after year after year. So under this program Federal spending will increase as it has done so often in the past.

Again, I want to restate the comment that was made in the colloquy that the Senator from Colorado and I had a moment ago. The major problem in this is again it is talked about as being a $500 billion spending plan. Interestingly enough, though, $117 billion in the discretionary accounts, whether that is defense or nondefense, have not been agreed to. They have not been agreed to. No one knows whether they are going to be in defense or whether thay are going to be in nondefense. If they are in nondefense, which one of the accounts would be affected?

So I raise the question in the beginning whether this really is a $500 billion package.

The second point I want to make with respect to the colloquy is what has happened in this particular spending plan is that the tough decisions have been moved off to 1993, 1994, and 1995. The best way to express it is for me to read from an article that was written by Paul Craig Robertson, I believe. He calls it "Numerical Chicanery."

He starts out by saying, "Do you believe that the Federal Government is going to spend fewer dollars in 1993, 1994, and 1995?"

You see, because that is what this budget resolution calls for. It actually calls for outlays to be less in 1993, 1994, and 1995.

He says, "Do you believe that outlay dollars in 1994 will be $50 billion below the amount the Government spends in 1992?" I certainly do not believe that, but those who are going to vote for this are apparently basing their support on that premise.

Then he goes on further to say that "The savings are based on the assumption that spending in absolute dollar terms in 1993, 1994, 1995 is below the level of 1992. In other words, the savings are based on the assumption of 3 years of budget cuts that individually are more severe than the threatened 1991 budget sequester."

He goes on further, "Do you believe that politicians who fear a sequester that would still allow a spending increase in 1991 are going to implement a budget plan that actually cuts spending, not in relation to some projected frowth figure but in relation to a previous year spending? I certainly do not believe it."

One further comment about the numbers and why I find this a plan that is hard for me to accept and believe.

The budget outlays, Federal spending in the year 1991, the year of crisis as it is being said, are going to increase by $128 billion. In other words, in the first year budget outlays are going to increase by $128 billion. In 1992, they are going to increase to some degree. But in 1993, 1994, and 1995, somehow magically, very magically, they are going to be cut below the 1992 level. That I find very hard to believe.

The last point that I want to make with respect to the package is that there is nothing in here that goes to the issue of economic growth. As I said a moment ago, I think that is the most important lack, I guess, of a feature. The most important thing we need to do is to follow policies that create growth. What we need to do is to cut the capital gains rate to 15 percent.

I know that there are two immediate reactions that come with mentioning cutting the capital gains rate. The first is that this is a big giveaway to the wealthy.

I ask people to refer to an editorial in the Wall Street Journal, July 25, 1989, where they showed what the distribution of the benefits of a lower capital gains rate would be. Interestingly enough, when there are less than $10,000 of earned income, they showed that 20.8 percent of all the benefits from a lower capital gains rate would go to that particular group. I know people have to be shaking their heads saying how in the world can this be?

The reason, No. 1 is, that is a group of retirees who have worked and saved all of their lives to set aside money for their retirement years when they are no longer working. They periodically sell off assets, and as they sell off those assets, they are allowed to maintain a certain standard of living. But they are being socked under the present tax plan to the tune of 28 percent. Many of us think that that ought to be reduced to 15 percent.

The other message you hear all the time is that it is going to cost the Federal Government money if you lower the capital gains rate. The same argument that was made in 1987 is being made all over again. Secretary Blumental in 1987 said if you cut the capital gains tax rate, it is going to cost the Federal Government money. In fact, he estimated that there would be a 25-percent loss.

The PRESIDING OFFICER. If the Senator from Florida will withhold, the Chair advises him the 15 minutes yielded by the controller of the time on his side of the aisle has expired.

Mr. MACK. I ask the Senator to yield me 1 minute to wrap up.

Mr. DOMENICI. Mr. President, I have more time requested than I have to yield, but I yield the Senator an additional minute.

Mr. MACK. I appreciate that.

Let me conclude by saying I believe that a lower capital gains rate will in fact increase the revenues. If you go back and look at the statistical data, you are going to find that is true. Capital gains is a voluntary tax. You only pay the tax when you decide to sell an asset. You decide to sell the asset when it is to your economic advantage to do that. If the rates are too high, you do not sell the asset. If you do not sell the asset, there is no income. If there is no income, there is no revenue to the Federal Government.

I say to my colleagues I think this budget resolution should in fact be defeated. There is nothing in it that is going to stimulate economic activity. It raises the taxes and it really does not control Federal spending.

I thank the Senator from New Mexico for yielding me the time.

I yield the floor.

The PRESIDING OFFICER (Mr. DASCHLE). Who yields time?

Mr. SASSER. Mr. President, I yield such time as the distinguished Senator from Connecticut may consume.

Mr. DODD. Mr. President, I thank my distinguished colleague from Tennessee.

Mr. President, for the purpose of my colleagues, I will not use a great amount of time here this evening, but I did want to take a few minutes to express my own views on the budget resolution that we may be voting on a little later this evening, and also to share some general comments about the events of these last several days that have caused us now to be in a situation where a good part of our Government is not operating.

Mr. President, I indicated last week that I had severe reservations about the summit budget proposal that failed to win a majority of votes in the House of Representaives. I expressed those reservations because I felt it placed too great a burden of the deficit reduction on the backs of some of our most vulnerable citizens.

I said that I wanted to support a budget resolution that would responsibly adjust spending priorities to perform the budget process without reducing economic growth and require the most affluent of our Nation to bear some fair share of the cost of government without shoving the brunt of that cost onto the middle-income taxpayers of this country.

It seemed absolutely essential that we agree on a budget compromise that would provide for serious long-term deficit reduction; a budget resolution that represents real progress toward the Federal deficit in a coherent manner.

Sound arguments, of course, can always be brought to bear against virtually every detail of any budget package. But there is an overriding need to start the deficit on a downward trend if we are to remain a strong country and are to leave our children a legacy of economic prosperity.

Mr. President, I intend to support the budget resolution now before us. The resolution is a major improvement over the resolution that was rejected by the House last week. This resolution retains some of the strengths of the summit budget agreement while ameliorating many of its most glaring faults. It represents the largest deficit reduction package in history. It preserves the overall summit agreement, including deficit reduction of $40.1 billion in fiscal year 1991, and $500 billion over fiscal years 1991-95.

However, Mr. President, the resolution modifies the reconciliation instructions to the Ways and Means Committee and Finance Committee by providing the discretion to specify some $20 billion worth of deficit reduction. It suggests that possible changes include lower Medicare cuts, revision of the unemployment insurance waiting period, elimination of the

home heating oil tax, and revision of the tax incentive package.

All of these changes, Mr. President, would be in my view positive steps, and I urge the tax-writing committees to adopt these changes, and look elsewhere for cuts.

In addition, the committees would have more flexibility to write a fair tax package than one contemplated under the original budget agreement. My strong hope is that such a tax package will not be regressive as was the proposal in last week's budget compromise.

The burden of tax hikes and spending cuts should fall primarily on those who can afford them the most. Under no circumstances should the middle-income wage earner bear such a significant burden as I believe was in the rejected proposal.

This budget resolution is imperfect, as all budget resolutions are. But the solid deficit reduction it provides is far more important, Mr. President, than its flaws.

Our country must have a national budget, which means compromises have to be made. If this resolution fails, the growing deficit and the ongoing paralysis in budget making will continue to erode our ability to govern.

Once and for all, we must begin erasing this Federal deficit that has plagued this Nation for the past 10 years, and now is the time to end this fiscal insanity. All of us must come together in the spirit of cooperation to help solve this financial crisis.

We are now paying the price for the so-called supply side economics, championed under the Reagan administration. The crisis we face today stems in my view from two fundamental policy decisions made in the early 1980's at the insistance of the Reagan administration and with the overwhelming acquiescence of Congress: Huge increases in defense spending and massive tax cuts for primarily the wealthy.

This gigantic deficit created by these two decisions is the major reason, although not the only reason, that we are here tonight.

I happened to have voted against the Reagan tax bill in 1981, and I voted against the Reagan budget in 1981 as well because, as I said then, Mr. President, I did not think that "it presents the fiscal policy needed to increase productivity, employment, trade and growth while restraining inflation."

I quote further. I said "It falls far short of what we can and should develop both as an economic recovery plan and as a statement of national priorities." I concluded that the increased deficits that would be created by that tax bill outweighed the need for tax relief and would make a balanced budget a pipe dream.

Mr. President, I wish I had not been so right. We no longer can nonchalantly pile up huge deficits as we did in the 1980's. These deficits made us into a debtor nation dependent on paying foreign investors high interest rates to keep our own Government running. The total national debt from the beginning of our Nation to 1980 was $1 trillion. From 1980 to 1987, it tripled to $3 trillion. Interest on the national debt is now $180 billion. Mr. President, that is $500 million a day. Every day our Nation must borrow $500 million, and we borrow most of it from foreign sources.

The debt takes a special toll on our young people. We all pay hidden tax in higher interests for mortgages and credit because our Nation borrows so much. But young people pay the most because they have the most need to borrow.

Cutting the deficit is the only way to reduce the high cost of borrowing to consumers and Government without spurring inflation. It is the only way, Mr. President, we can afford to meet the new national needs without mortgaging the next generation's future.

Supporting this budget resolution for the sake of finally doing something tangible and meaningful does not enter the debate on taxes and spending programs. It just begins the debate. In the next days and weeks the committees of appropriate jurisdiction will implement legislation in the form of a budget reconciliation bill to implement the dollar targets contained in this resolution. If the final product represents real deficit reduction, and everyone shares fairly in the cuts, then we will have done our job.

I hope, Mr. President, we will pass this resolution and get about the business, the hard job that the reconciliation package requires.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I yield 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I rise to speak in opposition to the budget resolution, and I would like to begin by explaining why I intend to vote "no," even though I am hopeful that I am wrong.

I am hopeful that this budget resolution will prove to be an effective roadmap to adopt a budget reconciliation bill that will meet the fiscal needs of the Nation, and that will in fact reduce the deficit. But, Mr. President, I am very concerned that it will not.

Mr. President, I supported the original budget summit agreement not because I thought it was a great agreement—I did not—not because I supported every element in it—I did not—but because I thought it represented hard choices that needed to be made, a bitter pill that needed to be taken to cure the ills of the Nation.

Mr. President, whatever you thought of the budget summit agreement, it represented choices. It set out a blueprint. It defined what we were going to do and how we were going to do it.

Mr. President, the budget before us does not make choices. In fact, the budget before us is an effort to run away from making hard choices. A budget, Mr. President, is a blueprint for action. A budget is in fact a promise.

We put together the summit agreement. It was voted on in the House and it was rejected, and it was rejected because it asked, at least in the minds of those who voted against it, too much sacrifice, and the decisions were too hard.

But what we have done, rather than going back and making specific changes in that budget and giving people a new choice based on a concrete program, we have instead decided to bring forth a budget that says we will reduce the deficit in the sweet by and by; that we will do it in a way as yet undetermined; and we will do it when we get ready.

Mr. President, I think this moves away from making hard choices, and I am concerned that if we cannot agree on the easy part, if we cannot agree on the promise, how in the world are we ever going to agree on the actual program? What we have before us is a package that says we are now going to let committees make the decision. There is an oblique reference to the budget summit agreement, but if you read these instructions, you read in vain to find any real commitment to fulfill that agreement.

I am hoping that the moral suasion that still exists from that summit agreement will make it possible for us to move in that direction and come fairly close to that agreement. But there is no hard choice in this budget.

Mr. President, ultimately the American people want us to make choices, not promises. I have tried to come up with a way of explaining what I think the problem is here, and I came up with an analogy, and I just want to share it with my colleagues.

This budget would be roughly the equivalent of the following statement by a young suitor who might come to your house to seek the hand of your daughter. And the young suiter would show up on your front porch and say, "I want to marry your daughter. Your objective is that she is happily married, and I believe I can fulfill that objective, and I want you to give me her

hand. But I want you to understand that normally in the service, you have to pledge to love, honor, and cherish, and I am not willing to make that commitment. I am willing to set out some parameters, where we will discuss it. I am willing to come back after the fact and say that we will look at each one of those things. I may be able to come within 20 percent of one of them, but I am not willing to make that commitment."

Well, Mr. President, I think most of we parents would not be terribly impressed by that commitment. If the potential groom was not willing to make a commitment at the altar, the easy part, how can we expect him to live up to that commitment after the marriage?

The problem with this budget agreement—and I predict it will be a problem that is going to come back to haunt us in the coming weeks—is that we will have agreed to a budget which is supposed to be a plan, and a promise that makes no concrete promise. We supposedly are setting out a blueprint, a road map, and yet we do not agree on what that blueprint is or where the road map will lead us. And, yet, we are supposed to, within a week or 2 weeks, come forth with an actual program to reduce the deficit by $500 billion.

So, Mr. President, I believe we are moving in the wrong direction. I think we are avoiding hard choices and, quite frankly, I think by coming forward with a broad, general agreement with specifics to be determined later, that we make the ultimate decision more difficult.

So I am concerned about two things. One, we are not going to get as good an agreement as we had before; and two, we are more likely to get no agreement than was the case before.

So, Mr. President, I am not urging others to follow my lead in voting "no." I think it is something on which people have to make a determination for themselves. I think you can make strong arguments in either direction. But I come down on the side of voting "no," because I think this is a movement in the wrong direction. This is a movement to gain a 2- or 3-day reprieve from the public outrage which has existed for the last week. But in the process of gaining that reprieve, by not doing what a budget is supposed to do, by not setting out how we are going to achieve our goal, I think we make it harder to achieve it.

Finally, I think if my colleagues have watched the debate on this budget in the House, they have to be alarmed. Because as they listen to Member after Member, who has been told by his leadership, that this agreement allows them to do so-and-so, that this agreeement has assured them that there will be a specific outcome, I hear dozens of people all telling a different story.

I submit that if we are going to end up adopting an actual deficit reduction package, it is probably not good policy to have any doubt about what it is that we are supposed to do. And when we have Members who have been told that this is going to come out to their liking when they have totally diametrically opposed views, I submit that we are setting out a standard which cannot be achieved. I hope I am wrong.

I intend to work on the committees that I serve on and work in any capacity that I am asked to work to try to enforce this agreement. I am committed to working to try to produce a reconciliation bill that will meet the national need, but I do not believe that I would be honest to my constituents or my colleagues if I did not say that by adopting a budget, which basically makes undefined promises, that we are making the job that ultimately must be done harder to do, and we are making it more likely that our goals will not be achieved.

I am committed to doing that job. I will never give up in an effort to deal with this problem. If this turns out to be the vehicle, I will work very hard to make this process work. But I thought it was important that I come here and express my concerns, because I believe that we have made a road, which was already steep and already rocky, far steeper, far harder to climb, by our inability to define what it is we intend to do.

The day is coming quickly when we have to do it, and I submit that we better get on the job.

I yield the remainder of my time.

Mr. BOSCHWITZ. Mr. President, if there is nobody who wishes to speak on the other side, I will yield such time as is necessary to the distinguished senior Senator from Wyoming [Mr. WALLOP].

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask that the Chair inform me when 20 minutes has passed, if I have not completed by then.

Mr. President, I do not know who believes that this budget package will result in a $500 billion reduction. I challenge anybody who has been around this body, this Congress, to state that they believe in the budget reduction package, on the basis of either what we have done in the past or what they see contained in it.

As we look at the process which began when the majority party refused to allow the process to work at the budget summit, and forced the President into a negotiation—which he, in my estimation, was mistaken to have entered—we found all of a sudden that absent some risk, the parties became self-indulgent.

The majority party jumped into the politics of class, and cited that somehow or another their purpose was to accuse Republicans of favoring the rich. And those who claimed they were not willing to be parties to that, and who said to the world that it is the Republicans who are the party of the rich, then set about in the original agreement digging the socks off of the middle class—my State in particular—with the gasoline tax, with taxes that increased their role in fuel oil.

And absent some philosophy, both sides lapse into the politics of slogans. There have been slogans attached to this effort. How else do you explain the politics of class when it does not exist in your constituency?

I do not find the people of Wyoming overwhelmingly bitter about the rich. I do not find the rich overwhelmingly bitter about the poor. It is not the subject of which they talk. The subject of which they talk is whether or not this bloody Congress will get down to do its work. It has not, and, in my estimation, when all is said and done, it will not.

How else do you explain the tax decisions in the original bill that forget growth in America, that forget that investment creates jobs? How else do you explain a proposal that forgets all about tax policy and focuses on spite amongst Americans? How else do you explain an original bill that came out with that small company, that investment procedure which nobody thought was anything but another tax loophole, when we spent a couple years trying to get rid of loopholes? How else do you explain an investment proposal that, as most economists knew to be the case, created money, failed to reduce the deficit?

Mr. President, who believes that this will result in a $500 billion reduction? The public does not. Look, if you will, at the votes in Massachusetts. Look, if you will, at the vote in Oklahoma to limit terms. Look, if you will, at the politics in California. Look, if you will, at the politics in Louisiana.

We in the Congress are viewed with scorn. We in the Congress isolate ourselves from the public we serve which is now perhaps awakened. But what we do is play for the Beltway press because that is what we read; the Washington Post, the New York Times, other things have become our hometown newspapers, and that is where the slogans are repeated, and that is where the editorials are written, and that is where the politics of class are played.

That the budget process is a sham has been well spoken to by the Senator from Florida and the Senator from Mississippi.

One of the most obscure processes in that process is the so-called 302(b) allocation. Mr. President, while everybody in this body has all year said so many times he resents the size of the

deficit, my goodness, we have to do something about it; who amongst us will explain why spending is 14 percent higher than it was a year ago?

All during the day last week when we were giving the greatest speeches, while the original budget proposal was going along, what did we do here on the Senate floor but vote for a HUD, VA and related agencies bill that was $19 billion higher than a year back, $2 billion higher than the budget, and nobody looked back, and only eight of us voted against that.

With every bill that we have passed this year, every appropriations bill, you go down to the desk and ask if it is within the budget; they say, yes. How can they all be within the budget if we are 14 percent higher than the spending we have already approved?

How do you do it? You do it with 302(b) allocations. I do not know how that process works; nobody else does. All I know is the 302(b) allocation is an excuse for higher spending and gives everybody a chance to say, "I voted for something that was within the budget."

We are a joke, Mr. President. And we rightfully are a joke to the American public. One of the jokes is the pay raise, and it is not about the pay raise. It is about a pay raise with posturing. What did we do but seek to raise our pay with the promise to change the ethics, which basically says to the American people, "If only you will pay me enough, I will, by God, behave this time. I have not yet, but if you pay me enough, I will learn how."

That is not the way this body behaves. This is not a body where people operate outside norms of ethics. But it is one that just cannot come up to the decision that is rightful to make, without making some kind of a big excuse.

How else do you explain election reform that is not about election reform but about insulating parties? The whole question is, Mr. President, it is about courage and responsibility, and those are the two things which are the most difficult for this body to rise to. How else do you explain tax proposals which return us not to tax policy but to favoritism, for revenge? How else do you explain the Medicare reform that increases revenue but does nothing about how it is spent? How else do you explain front-loading the tax increases and back-loading the spending reductions?

Examine this package, Mr. President. Do you believe it will reduce the deficit by $500 billion over the period of time?

One of the slogans that we talk about—one of them is included in a letter which I just signed—talks of smoke and mirrors. We talk about it in repetitive ad infinitum.

More likely this budget proposal is one of balloons and fans. Why? Because it is a tease. It promises things that we all know it will never deliver. It has no enforcement provisions. It just says that they should be raised. It contains $1.9 trillion increase in the debt limit over 5 years. Mr. President, I will say to the body: You will duck it, and you well know it.

The Senator from Arkansas, in an eloquent speech on the other side, said he did not like this thing; he could give us 20 good reasons why we should vote against it, but he said he will support it. Guess what, Mr. President? Those 20 good reasons will recur one by one by one, and there will be more than 20. And he will have the chance among his 20 good reasons to vote for it, and he will seize it, and he will not be alone, and it will not be partisan; it will be completely bipartisan. He will seize them one by one by one as they come along, and all the things going along in here will fall but for the tax increases.

The package contains no entitlement reform by design, and we will not have a package in reconciliation that puts some entitlement reform in front of us by design and by lack of courage.

Mr. President, if you look at the past as a mirror of the future, it is ugly, it is repetitive, and it is bipartisan. Examine for a minute, if you will, the continuing resolution process. It is absolutely typical of how this body has found a way to avoid being dinked for anything it does. You have seen them all. President Reagan even had a CR on his State of the Union desk that weighed 6 pounds or 8 pounds, or some incredible weight.

And you go home and your constituents say to you: How come you voted for all those bad things? And they will name one or two that were in a continuing resolution. You say, "Look, my friend, I know those bad things were in there, but you were for the women and children and I had to vote for them and I had to swallow the bad things."

On the other side of it, somebody will say, "Why did you vote against all those good things for the women and the children, or the veterans, or the other things?" And you will say, "I did not vote against those good things. I know they were in there, but the bad things outweighted them."

Who is to blame on either side when you go home? The answer, Mr. President, is nobody. Each of us has found a way to duck any accountability in front of the American people through the CR process.

Mr. President, who in here believes that this package will reduce the deficit by $500 billion in the stated time?

I have heard a lot of people talk about how the tax cuts came along and favored the rich. Who of those who are practicing the politics of class will talk about the Tax Reform Act of 1986 that took 6 million Americans off the tax rolls? Those 6 million people do not pay income taxes. No, no, that is not part of it. That does not work in the politics of class. These people were taken off the tax rolls because we raised the threshold upon which you entered the tax paying classes of America.

If you are thinking about it, who in here will remember TEFRA, TEFRA the biggest increase in the history of America until we get to this one. And it was to be returned with $3 in savings for every dollar in taxes that were raised.

In fact, Mr. President, what happened was that all we got out of TEFRA was the biggest tax increase in the history of America. We got no savings—and yet everybody is wondering why we are in trouble now. Every time you do that, Mr. President, you reduce the base from which the real resolution of the problem can take place. You raise the taxes and raise the deficit all at the same time.

Who in the Senate will remember in 1985 when we voted for real cuts in entitlements and in programs, a budget which we passed by one vote, including the vote of the sitting President of the United States when he was Vice President. Those were tough votes. And the Democratic majority in the House killed it dead and killed almost everybody who had voted for it who was up in the next election.

It is interesting that Congress is only too willing to deliver the gifts and is never willing to deliver the pain. Ask me for some day care, ask me for some anything, ask me for some new veterans benefits, ask me for anything that we have done this year and I will give it to you. But now is the time when you want to deliver the pain and take back something: oh, no, I have given you the gift. I do not have the stomach for the pain. But we are going to get the rich and we are going to the cash cow called the defense budget, as though there is no problem left for America to defend itself against in the world.

Mr. President, I would note something very interesting. Those who say we have nothing to fear in the world are the ones who also say that we have everything to fear if Gorbachev is no longer the leader of the Soviet Union. Why would we have anything to fear if Gorbachev is no longer the leader of the Soviet Union, if we have nothing to fear about what is in the Soviet Union?

The answer, Mr. President, is that we do have something to fear, but we will not even deliver to the American people the pain of telling them that a threat still exists. We have a cash cow called the defense budget and we can milk it and we can pay for things out of it.

So the process that we have seen going on in the summit was a political

process and the result is a political result. And we find now here tonight even a more political result which has no consequences to us except that it will weaken the United States.

How will it weaken the United States? It will weaken it by curtailing investment, by eliminating the attractiveness of investment in America, and thus we lose jobs. And when we lose jobs, we weaken consumption. And when we weaken defense, we weaken America's resolve. And when we weaken our presence in the world, we weaken our influence in the world and thus we weaken our future, because without influence in the world much can happen upon which every American's job and every American's security depends.

We are perfectly willing to weaken the United States in the name of politics of class. We are perfectly willing to weaken us by telling Americans that there is nothing left for them to worry about. We are perfectly willing to weaken us by saying that we do not wish to create an investment climate that expands the economy and creates jobs.

So when all of this has taken place, Mr. President, what happens? The Congress will look for someone to blame. And we will blame the Japanese or we will blame the Germans or we will blame the Saudi Arabians or we will blame the Democrats or we will blame the Republicans or we will blame the President or we will blame the education system. But the last place on Earth we will look for blame is in the Congress of the United States. And I am telling you here tonight that is where the blame is collectible.

So alone in America—and I say that really, alone in America—we in Congress will declare ourselves blameless. But the public to which we claim to be so close knows different. The public has expressed itself in Massachusetts, in Oklahoma, in Louisiana, in California, and probably in the election coming. This is so primarily because we have been unwilling to do anything but give goodies and shun the honest expression of pain that is necessary to create the real savings which will come through the $500 billion.

Let us make no mistake about it, 5 years down the road, we will have been in this debate before then or we will be in this debate at that time and we will not have achieved the savings.

I call attention once again, Mr. President, to the mirror. The mirror on the past is the reflection of our future. The only thing I would say to my colleagues is, do not look in it too long and see yourselves. The sight is us and the sight is where the blame lies and the sight is where the reconciliation package is almost certain to fail.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. SASSER. Mr. President, is the Senator from Florida seeking recognition?

Mr. GRAHAM. Yes.

Mr. SASSER. Mr. President, I yield such time to the distinguished Senator from Florida as he may consume.

Mr. GRAHAM. Mr. President, it is my intention to vote for the concurrent resolution that is before us tonight. Last week I announced that had the original budget proposal reached the Senate, I would have voted no. And I outlined my reasons which were, essentially, that I thought it was unfair both in terms of where it sought to raise revenue and where it distributed the pain; that it did not deal effectively with the budget deficit and it particularly singled out one program, Medicare, for approximately $1 out of every $4 of reductions of the overall program.

I am pleased that many of those problems, many of those weaknesses, have now been resolved or we are on a path toward their resolution. We have certainly received a clear signal, a clear signal from the American people and from our leadership, that the issue of health care for elderly Americans will be revisited and that the consequence of that revisit will be to reduce the share of the total national burden that that part of the program is expected to carry, that that part of the budget is obligated for, to a more reasonable and more equitably distributed one.

We also, Mr. President, have assurance, as we turn to the Finance Committee and the Ways and Means Committee and ultimately to the full membership of the House of Representatives and the Senate, that we will be able to consider a tax program that will be more in concert with the statement that the President made in his address to the Nation last week, which was that everyone will be asked to carry some of the burden; no one will be asked to carry an excessive amount. I believe those are attainable objectives.

Mr. President, I continue to be concerned about the high level of deficits that will be left after we take this action. I am also concerned that we may be giving a misimpression to ourselves and to the American people in the concurrent resolution that we are about to adopt.

I know from having discussed this with the chairman of the Budget Committee that this is not his intention. But I want, for the record, to clearly state what the basis is of the numbers that are in this concurrent resolution and how they relate to what I believe the facts will be.

Mr. President, if you turn to page 3 of the concurrent resolution, at the bottom there is a line that says, "The amounts of the deficits are as follows."

These are the deficits that the concurrent resolution indicates will be in existence without considering the Social Security surplus. This is without the Social Security surplus. The estimate for fiscal year 1991 is that the deficit will be $143.7 billion.

The reality is that the Federal deficit for 1991, including the amount that will be spent this year for the Resolution Trust Corporation, the corporation established to complete the bailout of the savings and loan industry, will be approximately $265 billion. And for 1992, $245 billion. And for 1993, $182 billion. All of those figures, Mr. President, I give with some caution because they themselves are predicated on very unrealistic economic assumptions.

How many Americans believe that in 1993 the rate of economic growth will be almost 4 percent, given the fact that today we are less than 1 percent. How many Americans believe that the interest rate on short-term borrowings will be approximately 5 percent, given the fact that it is today 8 percent? Those are some of the economic assumptions upon which the numbers which I have just stated, numbers which are approximately $100 billion a year greater than what is contained in the concurrent resolution, would portray.

So, Mr. President, I will vote for this aware of the fact that we are still going to be making very significant additions to our national debt. Over the period of this 5-year period, we will be growing the national debt by approximately $1 trillion, which is to say if we did nothing tonight, we would add to the national debt over the next 5 years, $1.5 trillion. By what we are doing tonight, we are avoiding $500 billion and adding the $1 trillion. That is not, Mr. President, a happy legacy of this Congress to the future of America.

But, Mr. President, we ask ourselves what is the alternative? What can we do tonight, other than move forward in the manner that has the greatest prospect of giving us some control and giving to the American people some sense of confidence in their national leaders' ability to govern?

We have had some suggestions made tonight that maybe this can be a problem solved without any pain; that we can solve this problem strictly on the spending side by reducing the programs of the Federal Government. We have just started to witness what the consequences of that approach would be. If any Senator wants to have that fully played out I suggest we not act tonight and we begin to see the results tomorrow; whether, in the State of the

Presiding Officer, it is meat inspectors who will not be employed, or whether it is public health officers in my State, air controllers across the country, the whole array of critical services provided by the Federal Government which would not be available.

In my State, Mr. President, one of the most critical demands of the Federal Government is in the area of law enforcement. My State is a coastal State. Much of our law enforcement activity, much of our vulnerability is to illegal activity that comes across our Nation's borders. If we do not have an effective national Government, whether it be through the Coast Guard or Customs, which can protect our Nation's borders, and if we do not have an effective Federal criminal justice system within our boundaries that can then investigate, arrest, prosecute, and punish those who violate our laws, our people will be in even greater jeopardy. All of that system of protection of our people is at risk if we go the next step toward a full sequester, a shutdown or a substantial reduction of critical Federal programs.

Mr. President, because I believe our options are so limited, but with a clear understanding that the numbers that are contained in this concurrent resolution do not reflect the actual consequences to our Nation's economy as a consequence of adopting this concurrent resolution, but aware of the fact that to do less than this would be to impose even greater burdens on this and future generations of Americans, it is my intention to vote for this concurrent resolution.

I conclude by extending my congratulations to the majority leader, the minority leader, and the ranking member and chairman of the Budget Committee for the outstanding service they have rendered to this Chamber and to the Nation in bringing us to a position that we can act this evening.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Florida for his very perceptive remarks tonight. I am doubly grateful for his kind comments regarding this Senator.

Mr. President, if no other Senator seeks recognition at this time?

Mr. DANFORTH. Mr. President, I might ask a question of the chairman of the Budget Committee. It is my understanding that the real difference between the budget resolution that we will be dealing with tonight and the budget resolution that we were contemplating a week ago is about a $20 billion swing. Is that correct?

Mr. SASSER. We keep the same levels of deficit reduction, and that is $40 billion, or slightly over $40 billion in the first year, $500 billion over the 5 years.

Then there is a swing in the jurisdiction of the Finance Committee with regard to revenues and/or entitlements.

Mr. DANFORTH. That is my understanding. I would say, to the chairman of the Budget Committee, I am going to support this budget. I would have supported it last week.

It is my belief based on representations by our leader, Senator DOLE, that we would have had a majority of Republican Senators for the budget resolution that we were contemplating last week. I do not know what the vote is going to be tonight.

I know some Senators have expressed great concern about this $20 billion that is going to be within the jurisdiction of the Ways and Means and Finance Committees.

I spoke with the minority staff director of the Budget Committee. I am told that this $20 billion, which apparently for some has upset the apple cart, amounts to 4 percent of the total deficit reduction package. And further, that it amounts to 0.003, if I am correct, 0.003 which I think is three one-hundredths of 1 percent of the projected Federal budget over the next 5 years, which is what we are dealing with.

I make this point for one simple reason. I think that one of the problems that we have gotten ourselves into in Congress is that we have 535 Members of Congress, each of whom has an absolutely perfect idea of how to deal with the budget deficit, and any deviation from our individual view of perfection is totally unthinkable. Therefore, some people say, we would have voted for the budget resolution that we were contemplating last week, but we cannot possibly vote for this because it gives the tax-writing committees jurisdiction over $20 billion spread over a period of 5 years, about $2 billion a year, and the estimated total Federal budget over those 5 years is about $6 trillion.

So $20 billion total, compared to $6 trillion of Federal budget, seems to me to be, although $20 billion is a large figure by any standard, but a very precious view of budgeting.

It seems to this Senator that after some 5 months of deliberation, some 5 months of negotiating among various summiteers, the time has come to get on with it, to get on with the business of government. If we have reached the point where we are going to fuss around by about three one-hundredths of 1 percent of the total budget and that is going to be the make or break for some Senators, then I would suggest that we have become so finicky in our approach to national policy and economic policy, in particular, that it is no wonder that we are stalemated.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Let me reply to my friend from Missouri by saying once again I think he has put his finger on the problem. The Senator from Missouri is known as an individual who gets to the meat of the coconut, and he has here this evening.

The majority leader stated today in the Democratic conference that since the budget summit agreement was initially defeated on the floor of the House of Representatives, that he and I together had been presented with no fewer than 34 separate budget proposals, just by members of the Democratic conference. Every Senator seems to have the proper formula for solving this fiscal dilemma that we seem to have ourselves in.

I might say this, and then I will yield to the distinguished majority leader, with regard to the $20 billion of fungibility that will be principally or exclusively within the jurisdiction of Finance and Ways and Means, the distinguished members of the Finance Committee could choose, if they wished, simply to not make all of the tax expenditures which were in the budget summit agreement, such as some of the incentives, so-called business incentives, some of the so-called energy incentives, and so forth, and actually save $20 billion just by throwing those so-called incentives overboard. I am suggesting that to the distinguished Senator from Missouri, but one Senator's incentives on occasion may become another Senator's budget waste.

I yield to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 666

Mr. MITCHELL. I ask unanimous consent that when the Senate considers House Joint Resolution 666, that the only amendments in order be the Byrd-McClure amendments to be considered en bloc; and that no motions to commit be in order; that there be a time limitation of 10 minutes for debate on the joint resolution; and that the Byrd-McClure amendments be equally divided in the usual form.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1991

Mr. MITCHELL. Mr. President, I thank my colleagues for their cooperation in reaching this point.

Mr. President, having consulted with the distinguished Republican leader, I now ask unanimous consent that the Chair lay before the Senate House Joint Resolution 666.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 666) making further continuing appropriations for the fiscal year 1991, and for other purposes.

The Senate proceeded to consider the joint resolution.

AMENDMENT NO. 2939

Mr. BYRD. Mr. President, on behalf of Mr. McCLURE and myself, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, and Mr. McCLURE, proposes an amendment numbered 2939.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In subsection 101(b), after "the Senate as of October 1, 1990," insert "or at a rate for operations not exceeding the current rate and under the authority and conditions provided in applicable appropriations Acts for the fiscal year 1990,".

In section 103, strike the sum "$262,969,000,000" and insert in lieu thereof: "$265,369,000,000".

In subsection 108(c), strike "October 20, 1990," and insert in lieu thereof: "October 19, 1990,".

In section 114, strike "October 20, 1990" and insert in lieu thereof: "October 19, 1990".

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, this amendment is really a group of amendments, en bloc. They provide that the rate of operations for programs and activities of the Federal Government shall be continued through October 19, 1990, at the lower rate contained in House-passed appropriations bills, Senate-passed appropriations bills, or the current fiscal year 1990 rate, whichever is the lower.

One of the amendments changes the date for extension of the debt limit from October 20, 1990, to October 19, 1990.

The amendments would also change the amount to be available for the programs funded under the Department of Defense appropriations bill during the period of the continuing resolution from $262,969,000,000 to $265,369,000,000.

These amendments have been cleared by the leadership on both sides of the aisle.

I ask unanimous consent that the amendments be agreed to en bloc. But before I do that, I yield to Mr. McCLURE or Mr. HATFIELD for such statements as they care to make.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I have participated in the summit in the earlier meetings and saw the summit move to reduce military spending for not only fiscal year 1991 but for the next 5 years, and I applauded that effort. I must say I do oppose this amendment which adds money back to the military spending programs which I do not think are necessary.

I want to say we have been in a state of paralysis long enough, and even though the votes are here to agree to these amendments, I urge we agree to them. I merely want to say I support the chairman of the committee and others who are trying to bring us out of the stalemate and get the appropriations process underway. We cannot afford this any longer. So that is the good part of the amendment. But I do oppose the amendment.

Mr. BYRD. Mr. President, I should state for the record that the programs for defense would be $2.3 billion below the summit figure.

Mr. President, I ask unanimous consent that the amendments be agreed to en bloc and that the motion to reconsider en bloc be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

The amendment (No. 2939) was agreed to.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I support this resolution on the problem with respect to the continuing resolution for a couple of reasons and I think they are very important reasons. First of all, it is necessary that we move forward, and I think all of us are very conscious of that necessity. This continuing resolution contains with it appropriate figures and real reductions in spending. There is a freeze in spending under this. I hope those of us who are very much concerned about limiting the growth of Federal spending during the period of time while we are trying to solve the budget problem are committed to some real savings, and this has some real savings in it. They are marginal, admittedly. We hope the period is short. But there are real savings in it and, therefore, it certainly has my support for that reason.

The second thing that I think is very important is that it sets up a timetable for the consideration of it that is about as short as anyone can reasonably expect to occur. It is not something that leaves the decision to some time in the future. It is something that forces a decision to be made at the earliest possible moment and under the tightest possible time schedule.

Both of those objectives, I think, are in tune with what the President of the United States has said that he wants. He wants some discipline in this process. He wants a budget resolution that moves us forward in this process and he wants some real restraint on spending while we do those things we have yet to do. This continuing resolution accomplishes all of those objectives.

I realize that all people on all sides can question how we got here, why we are where we are, how we get out of this mess, and I think the American public is saying to us, solve the problem.

I think that is the fundamental question we are addressing in this continuing resolution. We are going to solve the problem as fast as is possible for us to do so. I think this is a responsible and reasonable action for us to take. I applaud those on both sides of the aisle who contributed to this result.

It is not where I would like to be. I do not suppose anyone on this floor really says this is exactly what they wanted. But it is a way for us to move forward from where we are, not from where we would like to be but from where we are. I think it is an important effort in that respect. I certainly support it wholeheartedly. I am glad to cosponsor the amendment with my distinguished friend, the chairman of the Appropriations Committee, Senator BYRD from West Virginia.

I thank the Chair.

Mr. BYRD. Mr. President, House Joint Resolution 666, as amended, extends the operations of the Federal Goverment through October 19, 1990. It continues to provide temporary, restrictive financing for fiscal year 1991, which began on October 1, 1990. It also continues to provide for the extension of the debt limit ceiling through October 19.

Thus far, the House has passed 10 of the 13 annual appropriations bills. The Senate Appropriations Committee has reported seven of those bills to the Senate, all seven of which have been passed.

It is critical that the Senate complete action on the continuing resolution tonight. This resolution is not a budget buster. It does not in any way prejudice the budget agreement. It simply allows for the continuation of the operations of the Federal Government through October 19.

Under the provisions of this resolution, it is expected that the essential air services program will continue without any service reduction and that the Office of Commerce Space Transportation will continue at the current rate in view of its important safety responsibilities associated with licensing the commercial space industry.

Failure to enact this continuing resolution would cause massive reductions in all Federal agencies tomorrow morning. The Director of the Office of Management and Budget has issued instructions to the heads of executive departments and agencies indicating that if no continuing resolution is en-

acted by Tuesday, October 9, which begins 1 second after midnight tonight, instructions will be issued initiating a phase down of activities at Federal agencies to take place during the first 3 hours of tomorrow morning.

If, on the other hand, the continuing resolution now before the Senate is enacted, Federal agencies will be allowed to continue operations at the rates provided in the resolution.

I believe that enactment of the continuing resolution is vastly superior to a Government shutdown which would occur tomorrow morning if this resolution were not to be enacted. I urge my colleagues to support the resolution.

I thank the distinguished majority leader and the distinguished Republican leader for their excellent efforts in making it possible for this matter to be disposed of expeditiously.

I yield the floor.

Mr. MITCHELL. Mr. President, I wish once again to restate so that there is no misunderstanding in the Senate about the level of funding for the defense function under this amendment. The budget authority for fiscal year 1991 for the defense function under the summit agreement was $288.3 billion. This amendment provides that in this continuing resolution the level of funding, that is, budget authority for fiscal year 1991 for the defense function, will be $286 billion. That is $2.3 billion less than the level in the budget summit agreement.

Mr. BYRD. Mr. President, will the majority leader yield?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Let me put a little emphasis on that figure also. What this really means, we are talking about 11/365 or $2.3 billion. In other words, Mr. President, this is just for 11 days, 11/365 or $2.3 billion.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I make this statement because the Senate is considering the continuing resolution, which is managed by the chairman of the Senate Appropriations Committee and the ranking member of that committee, and there is an amendment which I shall send to the desk. It is a sense-of-the-Congress amendment. I shall read it. It is as follows:

It is the sense of Congress that the date by which committees should report their reconciliation language to their respective Budget Committees should be October 12; that the Budget Committees should report the reconciliation bills no later than the close of business October 13; and that it is further the sense of the Senate that the Senate should begin consideration of the reconciliation bill on the first day of session following its report by the Budget Committee.

Mr. President, this amendment is a sense-of-the-Senate amendment. It is not mandatory and has no binding effect whatsoever. It expresses a pious hope, and if that hope is not realized, nothing can be done about it. It is an expression of the intent, intent and good faith.

But as I want to call to the attention of the Senate—and I am confident that the majority leader will want to comment on this part—should the Senate take up the reconciliation bill no later than the close of business on October 13, should the Senate take up the reconciliation bill on the first day of session following its report by the Budget Committee, which is a statement of intent, a statement of good faith, but were that to happen, then this could very well mean that after the Senate had acted on the Senate reconciliation bill and then proceeded to take up the House bill, the time under the rule could be doubled.

In other words, there could be 20 hours on the Senate reconciliation bill and 20 hours on the House reconciliation bill. So I merely state that to say that we are not going into this blindfolded. We know exactly what could happen, and I am sure that we are not going to let that happen.

So I think we should say that as we offer this sense-of-the-Senate pious hope resolution, so that we all know that we are not walking into that kind of situation with our eyes closed.

Before I send the amendment to the desk, I am sure the distinguished majority leader wishes to speak. Or would he prefer I send it to the desk?

Mr. MITCHELL. Yes.

AMENDMENT NO. 2940

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2940.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the joint resolution add the following:

It is the sense of Congress that the date by which committees should report their reconciliation language to their respective Budget Committees should be October 12; that the Budget Committees should report the reconciliation bills no later than the close of business October 13; that it is the sense of the Senate that the Senate should begin consideration of the reconciliation bill on the first day of session following its report by the Budget Committee.

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

The amendment (No. 2940) was agreed to.

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

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, if I might comment. We are all acting in good faith in an attempt to make a serious effort to deal with this very important national problem, in the most expeditious and thorough manner possible. The amendment offered by the Senators from West Virginia and Idaho expresses an intention that we do that, and that is our intention. We are going to do the very best we can to proceed as promptly as we can.

I have indicated to the Senator from Idaho that after the Budget Committee reports, we will then make an assessment depending upon the situation here and in the House as to the best way to get this done as promptly as possible, so as not to add time or to cause us to duplicate out efforts, which could occur even if we did or did not wait for the House bill.

Therefore, we are going to proceed, I want to assure all Senators, in good faith to move forward as promptly as possible in an effort to meet these very tight deadlines, and I will continuously, as I have throughout this process, review the matter with the distinguished Republican leader and with certainly the ranking member on the Budget Committee, as well as our colleagues and the Senator from Idaho.

Mr. McCLURE. Will the Senator yield?

Mr. MITCHELL. Yes.

Mr. McCLURE. Mr. President, I thank the Senator from Maine for the statement that he just made. I think all of us have to understand that there is an element of good faith in this. I think everyone on both sides of the aisle is trying to make it work in just exactly that way, as indeed the President of the United States and his administration are trying to make it work in that way.

As I understand where we are now, with this action, the authorizing committees, the committees of jurisdiction, will have through the 12th to make their recommendations on reconciliation; and that, if as a matter of

fact they do so, then the Budget Committee meets immediately following their recommendations and puts the package together in reconciliation and reports to the Senate. If the committees fail to meet their instructions, either by that date or in substance, then the Budget Committee, under existing law, is empowered to suggest the manner in which their jurisdictional subject matter should have been met. I mention that because I think it is a little bit more than just a precatory desire. It has a little bit of substance in empowering the Budget Committee to take action. That is the way I understand it, that by the end of the 13th, we will know what the shape of the proposed reconciliation is with respect to the several areas that are encompassed in the instructions in the Reconciliation Act.

I also understand—and certainly it is very true—that we cannot control what happens in the House of Representatives. The other body will follow their own process, and we are not trying to dictate to them. We have to await a Reconciliation Act from the House of Representatives before we can complete our action here. I agree with the distinguished majority leader that, indeed, we do not want to waste time over here going through a process twice. We do not want to extend that time beyond any reasonable bounds.

But I think we can at least put ourselves in a position to respond quickly when the other body has acted and submits that legislation to us. We can put ourselves in a position to react to that as quickly as is practicable and the Democratic leader and I and no one else can know exactly what it is they will give us nor exactly how we will have to react to it.

So I understand, and I want to be very clearly understood at this point that I understand what the distinguished Democratic leader is saying to us this evening; that there has to be some latitude for the leadership to respond to the situation as presented to us by the House of Representatives when they send that reconciliation act to us. Certainly, I accept it in exactly that manner for myself and I hope for some others on this side of the aisle. Our action tonight is an action of good faith, accepting good faith on the other side. Indeed we are going to try to expedite this matter as quickly as we can, because after we act it has to then go to the floor of the Senate, from there to a conference with the other body, in every likelihood, and come back in a conference report.

The concern I have, and many others have, whether we like where we are or not, we are up against an adjournment date. We want to give ourselves as much time as it is possible to give ourselves, to deal with the question as free of pressure as we can, and that means as early as possible so that we are not right up against an adjournment date; we are not faced with a take it or leave it that forces people to vote for it when they do not want to, or that automatically means we are back in a Lame Duck session after the election which I think all of us want to avoid.

So I accept the statement made by the distinguished Democratic leader and for myself I will welcome the opportunity to work with him and others in trying to make this process work the way it is outlined there this evening.

Mr. MITCHELL. Mr. President, I thank my colleague and I merely wish to state that lest there be any misunderstanding it is not the intention of the amendment most recently adopted to create any authority or power in the Budget Committee beyond that which exists in the existing Budget Act. We are not attempting to give them any new authority or power here. This merely establishes what we hope will be a timeframe within which action will occur.

Mr. President, I thank my colleagues. I hope that if the time for debate has expired we could proceed to dispose of this measure, and then I am going to seek consent to dispose of the budget resolution.

The PRESIDING OFFICER. All time for debate has expired.

The question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution, having been read the third time, the question is, Shall it pass?

So the joint resolution (H.J. Res. 666), as amended, was passed.

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

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Mr. President, I ask unanimous consent that a vote on the adoption of the conference report on House Concurrent Resolution 310, the budget resolution, occur at 11:30 p.m. this evening with the time between now and then to be divided and controlled by Senators SASSER and DOMENICI.

The PRESIDING OFFICER. Is there objection?

The minority leader.

Mr. DOLE. Mr. President, could we extend the vote if we vote at 11:30 and the 15 minutes are up? We may have one late arrival.

Mr. MITCHELL. Certainly I think we have done that in every instance that occurred this year. It would be my intention to do that.

Mr. DOLE. If it becomes too late, say, 1 o'clock or——

Mr. MITCHELL. I do not think I understood "extend" in the same context as the Senator suggested. We have extended it, I think, as much as 20 minutes.

Mr. DOLE. A reasonable time. I say that would not be a reasonable time. I will work it out.

Mr. MITCHELL. We will work it out. I renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that a vote on the adoption of the conference report on House Concurrent Resolution 310, the budget resolution, occur at 11:45 p.m. this evening with the time between now and then divided and controlled between Senators SASSER and DOMENICI.

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

Mr. MITCHELL. Mr. President, I thank my colleagues and I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

Mr. SASSER. Mr. President, at this time I would yield 2 minutes to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. SASSER. Mr. President, I ask unanimous consent that the Chair vitiate the request for time for the Senator from Hawaii.

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

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

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The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SASSER. Mr. President, the senior Senator from Georgia has indicated that he wishes to address the Senate and I yield to him 5 minutes at this juncture.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank my colleague from Tennessee and I thank all of those on both sides of the aisle who struggled long and hard to be able to pass this continuing resolution which has just passed, which will take a few days and at least alleviate the immediate hardship that was going to be so tough on so many people. I am certainly hopeful the President will sign this this evening.

I also commend the Senator from Tennessee, the Senator from New Mexico, the Senator from West Virginia, the Senator from Oregon [Mr. HATFIELD], and others who worked so hard on the budget resolution. We all know we are trying to save $500 billion over 5 years and everybody is trying to look for a way to do it where nobody gets hurt and nobody gets mad. By definition that is impossible. You do not save $500 billion without hurting someone and without costing someone some money or programs. It is impossible by definition.

The one thing I regret so far in this whole budget deliberation is something that no one has yet done. President Reagan never did it, President Bush has not done it, nor has the congressional leadership been able to gain the attention of the public in terms of addressing the issue of the overall deficit. The Senator from Florida talked about it tonight, but the American people need to be told or we are going to have another period of disillusionment in 6 months or a year. They need to be told this is only addressing a portion of the deficit, that the deficit is going to be probably between $1 trillion and $1.5 trillion over the next 5 years, and we are talking about cutting $500 billion.

Also I think the public needs to be told. I know the Senator from Tennessee has said this many times, that even those deficits are based on scenarios which are very, very optimistic.

Just one point that I think needs to be made and that is that the Bush administration's economic assumptions on which this whole deficit projection is based shows that we are going to go from a gross national product growth rate of 1.3 percent in 1991 to 3.8 percent in 1992. Well, now that is optimistic. I hope it will occur. And maybe it is possible it will occur. But at the same time they have the Treasury bill interest rate, 91-day T-bills, going down from 7.2 percent in this year with a slow economic growth to 5.7 percent in 1992, when we are going to be experiencing much stronger economic growth and much higher borrowing.

I do not know many people who believe that. So I am afraid when you look at these assumptions that we are going to have another whole period of disillusionment and the credibility of the Government itself, both political parties, the White House in particular, and the Congress also is going to be further eroded into the future.

That is not to say this package is not going to do some good. It is. But the problem is when you project deficits at this level, and it is really going to be at this level, and you end up cutting it down somewhat, it is still going to be higher than we are projecting now because the economic assumptions are simply not likely to hold.

I think that those paying attention to this debate in America might also want to know that the Bush administration's projection on 91-day Treasury bills in 1993, that is the interest rate the Government would pay, is 4.9 percent; 1994, 4.4 percent; 1995, 4.2 percent. The budget committees are not buying all these numbers, but for these deficits to come anywhere near the projections that is what the interest rates have to be.

I just do not know of anyone who is projecting that kind of interest rate decrease. I am hoping that will come about but I think it would be a near miracle if it does. Of course that makes an enormous difference in the deficit because we pay interest on the debt.

Mr. President, in the remaining 1 minute or 2 I have, I would like to address the defense numbers just very briefly. I have had a number of my colleagues, the Senator from Arkansas [Mr. PRYOR] and others who have expressed an interest in these numbers.

Suffice it to say that defense numbers are coming down somewhat from the summit levels. The reason for that is that the Senate-passed bill was lower by a small amount than the speeches I made back in the spring that laid out 5 years' budget projections with policy assumptions after analyzing the threat assessment and the strategy. The CBO scored our defense bill slightly below the numbers that I had anticipated, and we have seen because of the decrease of $2.2 billion in budget authority, not in outlays but in budget authority, over 3 years.

There are a number of people who are saying the defense numbers are too high. I can understand that frustration, but I believe that people have not focused really on what is happening in defense. We are making the most profound, sweeping changes in defense this year in a downward direction that we have made in at least the last 25 or 30 years.

The numbers that are in this resolution are the numbers that passed the Senate in the Senate authorization bill by a vote of 79 to 16. That has not been but about a month and a half ago. Some of those 16 may be part of those who are frustrated, but 79 Senators endorsed the numbers that are in this resolution we are considering.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SASSER. Mr. President, I yield the Senator from Georgia an additional 2 minutes.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank my friend from Tennessee.

Let me just make two or three other points. Defense spending cuts in this budget resolution over the next 5 years represent 36 percent of all the deficit reduction in this package. Add in the interest on debt saved by reason of the reduction and it comes to 40 percent. Forty percent of the $500 billion is coming out of defense.

I think it also should be said that as a share of the gross national product the defense spending is going to drop from 5.5 percent of the GNP in 1990 to 4 percent in 1995. And I will not go into the details on those numbers but in 1991 we will be cutting $25 billion out of budget authority; 1992, $35 billion out of budget authority; 1993, $47 billion out of budget authority; 1994, $60 billion out of budget authority; and 1995, $70 billion.

Mr. President, those are large numbers. It is going to be very difficult to meet those numbers.

I have also been asked by a number of people why do we not reduce forces in Europe. We are reducing forces in Europe. We are going to have to reduce forces in Japan, Korea, and the Philippines also to be able to meet these numbers. We did not do it all in this bill that passed this year. We only took 50,000 out of Europe. But we have taken approximately 500,000 people out of the force structure in the Defense authorization bill that passed. Those numbers will come down over 5 years—500,000 people over 5 years. That is going into law if our bill prevails on that point in conference.

In order to accomplish that—and that is where you save the money; you do not save money by bringing troops home from Europe directly unless you take them out of the force structure, and that is what we are going to be doing to save money—in order to meet that level, I have anticipated—now the commitee has not endorsed this, this is my assumption to get the numbers and the projections—I have assumed

we are going to take about 50,000 out of Europe on an annual average, maybe more in some years, others less, 50,000 per year for the next 5 years. That is about 250,000 out of Europe.

The administration is not agreeing with that. The Secretary of Defense does not agree with that. The Joint Chiefs do not agree with that. But that is what I think we are going to have to do over the next few years, assuming the threat continues to diminish, and we have to relate our defense needs in Europe and elsewhere to the threat.

Mr. President, I thank my colleagues. I thank my colleague from Tennessee. I yield the floor.

Mr. SASSER. Mr. President, the Senator from Maryland has requested time. I yield 5 minutes to the distinguished Senator from Maryland.

Mr. SARBANES. I yield to the Senator from Georgia.

Mr. FOWLER. Mr. President, I thank the Senator from Maryland.

Mr. President, the budget summit was a long and difficult process, and made so not because of a lack of good will or commitment but because of the magnitude of the problems and the sharp differences among the participants as to how those differences could or should be addressed. Indeed, these same divisions were evident last Thursday when majorities of both Republicans and Democrats in the House rejected their President and the bipartisan congressional leadership in voting down the first budget resolution which sought to implement the budget summit agreement.

When we started the budget summit in May, the difficulties were daunting enough: a deficit which the President had reestimated at $200 billion, rather than the $93 billion he submitted in his January budget; ballooning costs associated with the bailout of savings and loan companies; and a looming across-the-board sequester, which would cut over $100 billion in Government programs, devastating everything from crime and drug enforcement, to education, to air traffic control, to environmental protection, to national defense.

But these obstacles were only magnified by events of late summer: the Iraqi aggression in the Persian Gulf, and the increasing signs of a weakening economy, both of which multiplied the deficit problem while narrowing the available options for solving that problem.

I have tried to support the President of the United States in this deficit reduction effort, by participating in the budget summit, in negotiating in good faith, and even in supporting a summit agreement which all participants in the summit know was very far from my liking.

Yet in spite of the policy differences I had with the President and his representatives, the only real criticism I have of the President's role in all of this is the one I made at the outset of the process: I do not believe that he has used the bully pulpit of the Presidency to prepare the public or their Representatives in the Congress for the sacrifices that would be a necessary part of any significant deficit reduction package. Whether you listen to the reaction in the country or to the debate in the House the other night I think you will have to agree that this is so.

The bipartisan agreement which emerged from the summit was not a "good news" document. It was not painless. It was not something that I, or any other participant, found it easy to support. Indeed, I venture to say that there is not a single member of the negotiating team who was completely happy with that package.

In response to last week's House defeat of the budget resolution, some changes have been made which make more explicit the role of House and Senate committees in shaping the final details of the deficit reduction package. More flexibility is provided to correct some of the inequities that many perceived in the original budget resolution conference report.

Yet, I do not want to mislead any Member of this Senate into believing that his new conference report will ultimately lead to easier choices. It may be less difficult to vote for this less specific deficit reduction plan tonight, but you will still be faced with the specifics when the reconciliation bill comes out of our committees. Even if the worst fears of my friend, the distinguished junior Senator from Texas, are realized and we use the lack of specificity to shortchange real deficit reduction, we will still pay the price down the road, when we have to face this deficit problem again and again.

Nonetheless, I believe that approval and implementation of the deficit reduction provided for in the budget conference report now before us is vital to our long-term national security. The budget package is about sacrifice: There are no easy ways to resolve the problems I have already alluded to.

It is about commitment: Now, with our servicemen and women on the front line in the Persian Gulf, is a time when we must demonstrate national unity and national resolve.

It is about our Nation's future: Without a solution to our budget, trade, and investment deficits, we will continue mortgaging our children's futures.

And, yes, it is also about political courage: Many of the things this agreement proposes to do are considered suicidal politically, and all of us who have signed on to the cause can look forward to Monday morning quarterbacking, negative TV ads, and special interest attacks.

This is a major effort, being the largest deficit reduction package in American history, by far, even if one takes the most pessimistic view of how the committees will implement its provision. But, given the magnitude of the problem, no other course was possible.

I would like to say a word about the comments that some are making about the unwillingness of our senior citizens to participate in this national sacrifice. I say that those who make such comments do not know older Americans very well. Our elders know about sacrifice. They weathered the Great Depression, and fought and won the Second World War. They love their country, and they want to make a contribution in this time of national need. What they don't want is to be singled out, unfairly, while others escape from any sacriface. I have no doubt in my own mind that when the need for this deficit reduction package is made clear to them, and when the alternatives are made plain, older Americans will be in the forefront urging us all to do what is right for our country.

Let me be clear on one point. There will be some difficult economic times ahead, whether or not this deficit reduction package is approved. But while, as I have said, no one could possibly endorse every item of this package with great enthusiasm, you must consider the alternatives if the agreement is not ratified.

First, the Federal Reserve Board will conclude that there is insufficient political will to correct our fiscal policy problems, and will therefore, understandably, fail to reduce interest rates. Second, the Gramm-Rudman across-the-board sequester will be triggered, producing not only the undesirable policy outcomes I mentioned before, but also taking more than twice the amount of money out of the economy as envisioned in the summit agreement. Both of these factors will worsen, rather than improve, our economic situation.

Some ask, why act now to take such massive amounts of dollars out of the economy even as we are on the brink of a recession? Up to a point, I would agree. Under any economic theory I am familiar with, now indeed is not the best time to be embarking on a major deficit reduction effort; 1985 would have been a better time; or 1987, when the first budget summit was held between President Reagan and the Congress, or even last year's summit. At all of those times, the economy was in better shape than it is today.

The truth of the matter is that the President and the Congress did not undertake serious deficit reduction in those years, when the economy was

stronger and the job would have been somewhat easier. But, if we fail to act now, how much longer will the country have to wait; how much more will our budget, trade, and investment deficits have to grow; how much larger a share will have to go simply to pay interest on the national debt, before action is taken?

My answer is we cannot afford to wait. If we do nothing now, projections are that the Federal deficit will grow to over $300 billion over the next 5 years, not even including the effects of an economic downturn. If left unattended, this deficit problem is going to grow and grow, and it will be much more difficult, not easier, to solve it in the future.

Clearly, the budget summit agreement is open to attack on many fronts. It represents neither what the Democrats nor the President and the Republicans would have produced if they were able to enact a plan on their own.

A quick review of the initial offers which we presented to each other at Andrews Air Force Base should suffice as an indicator of what each side would like to have done.

Compared to the final agreement, the Republican package had larger cuts in entitlements, including Medicare and agriculture, and in domestic discretionary spending, and lower cuts in defense. The Democratic offer was just the reverse. On taxes, they offered tax breaks for the wealthiest; we offered higher taxes on those who make over $125,000 a year.

These are all legitimate and important differences which separate our two parties, and they are the very subjects which elections should be fought over, not the personal vilification or television attack ads which now dominate what passes for campaign debate.

But the budget summit agreement and this budget conference report which would start implementing it, is about governing, not campaigning, and all but one of the summit members understood that.

There were many policies which I fought hard for at Andrews but which didn't make it in the final agreement. Contrary to Wall Street Journal editorials, I supported inclusion of a capital gains provision as far superior to the so-called business incentives included in the final agreement, but I also felt very strongly that this had to be accompanied by higher tax rates for those earnings $125,000 or more, as in the original Democratic offer.

In closing I would like to cite the words of Benjamin Franklin, which were read for him by James Wilson on the final day of the Constitutional Convention, September 17, 1787, to conclude debate on that difficult, contentious compromise, the United States Constitution. Incidentally, the distinguished majority leader gave a Reader's Digest version of this statement on national TV the other night:

> I confess that there are several parts of this Constitution which I do not at present approve, but I am not sure I shall never approve them; for, having lived long, I have experienced many instances of being obliged by better information or fuller consideration to change opinions, even on important subjects, which I once thought right but found to be otherwise. It is therefore that the older I grow the more apt I am to doubt my own judgment and to pay attention to the judgment of others.* * *
>
> In these sentiments, sir, I agree to this Constitution with all its faults, if they are such * * * I doubt too whether any other convention we can obtain may be able to make a better Constitution. For when you assemble a number of men to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions, their errors of opinion, their local interests, and their selfish views. From such an assembly can a perfect production be expected? * * *
>
> Thus I consent, sir, to this Constitution because I expect no better, and because I am not sure that it is not the best. The opinions I have had of its errors I sacrifice to the public good. I have never whispered a word of them abroad. Within these walls they were born, and here they shall die. * * *
>
> On the whole, sir, I cannot help expressing a wish that every member of the Convention who may still have objections to it would, with me, on this occasion doubt a little of his infallibility, and, to make manifest our unanimity, put his name to this instrument.

Mr. BURNS. Mr. President, I rise to express my opposition to the Democratic budget resolution now before us. I was prepared to vote against the original budget summit agreement for a number of reasons. And the day after the House defeated that budget package, I was hopeful that we could go back to the table and come up with a better plan.

Unfortunately, that did not happen. Instead we are presented with a budget resolution which is 10 times worse than the original one. It is worse because we do not even know what the agreement is. There is at least $150 billion in increased taxes in this package. It does not take a rocket scientist to figure out that this is a tax package, not a deficit reduction package. The $150 billion in increased taxes may come from gasoline, beer, wine, cigarettes, income or sales taxes. But one thing is for sure—the average American is going to fork over at least an additional $140 per year to Uncle Sam.

In addition to the outright tax increases included in this package, there are additional unspecified fees. The Commerce Committee, of which I am a member, is directed to come up with $1.3 billion in unspecified mandatory spending cuts or unspecified fees. I can tell you right now that the Commerce Committee's recommendation will be 100-percent fees. There will be no spending cuts. I know this because last year when we went through this exercise the members of the committee were presented with various recommendations which would achieve the required savings. Every provision was a fee. And when Senator LOTT and I spoke up and asked "where are the cuts?" we were told that it was not counted as savings to cut programs under our committee's jurisdiction—that we had to raise fees to meet our reconciliation instructions.

Ten committees in the Senate are instructed to come up with similar packages—all of which could be 100-percent fees. Now inside the beltway people may call paying a fee to have your small business inspected for compliance with EPA regulations a spending cut. But I think that most people—especially people paying those fees—will think of them as taxes. This means that over 50 percent of this package could fall on the shoulders of the working people and small business owners in this country.

This is an approach I cannot and will not support.

In my opinion, we are approaching the question of serious deficit reduction from the wrong side of the equation. Revenues are not the problem—runaway Federal spending is.

This package does not ensure that one dime will be cut from the Federal budget. There is no effective enforcement mechanism in this package. It is business as usual for the U.S. Congress. We say we are going to cut spending and raise a few revenues to reduce the deficit. We promptly increase taxes and fill our coffers and the spending cuts never come to pass.

I have introduced a plan a couple of weeks ago called the 4-percent solution. The 4-percent solution brings the deficit under control by limiting growth in Federal spending to 4 percent over the previous year. It also reforms the budget process and strengthens Gramm-Rudman-Hollings to ensure that these savings are actually achieved. The package before us claims to cut spending, but includes no enforcement provisions to ensure us that those savings will actually accrue.

I have heard many supporters of the budget summit agreement and of this proposal say that those of us who oppose their package are just refusing to make the hard choices necessary to attack the deficit problem. I submit to you, Mr. President, that enactment of the 4-percent solution would force the hard decisions needed to get rid of our Federal budget deficit. Raising taxes is the easy way out—it is much more difficult to control Federal spending.

I reject this budget resolution for that reason. I doubt that any reconciliation package put together on the guidelines in this package will be acceptable to this Senator. It is for that reason that I must vote against this package in the hopes that it will be defeated and we can turn the focus away

from tax increases and back to controlling Federal spending and reforming the budget process.

THE TRUTH-IN-BUDGETING FREEZE

Mr. HOLLINGS. Mr. President, this past week is just about the worst Government I have ever seen in Washington, which is saying a lot. Secret summits, pollster politicians, deceitful claims, dangerous policy, abdicated responsibility—you name it, we have witnessed it in recent weeks.

Of course, this latest summit deal was doomed from the start. These summits are not the cure, they are the cancer. Each year the poor patient, the Federal budget, just gets worse and worse off. Last week, the House of Representatives rejected the summit package as if it were a diseased organ, which it was. They did the right thing, even if they did so for the wrong reasons. Now we have a chance to do better.

Mr. President, let us look back at that rejected summit package for a minute. After all, most of its basic elements have been preserved intact in this latest reincarnation that is before us today in the conference report. The summiteers claimed that their $500 billion in deficit reduction between 1991 and 1995 would balance the budget. But, in truth, they agreed to solve the problem by ignoring half of it. The General Accounting Office concluded only last month that it will take closer to $1 trillion in deficit reduction between 1991 and 1995 to balance the budget. On top of that, the summiteers included impossibly inflated economic assumptions, for instance, projecting 1992 economic growth at 3.8 percent and interest rates at 5.7 percent. At very best, the agreement's $500 billion objective is like throwing a 50-foot lifeline to a drowning man 100 feet off shore.

This agreement calls for only $16 billion in new taxes in 1991, but calls for $5 billion in new tax cuts next year—all of them targeted for the well off. As Lester Thurow wrote this past weekend:

> It is remarkable that the initial deal * * * would aggravate the very features of the current tax system that seemed most generally objectionable to tax experts and the public: Its small business growth incentives would offer new tax dodges to the wealthy.

So as far as the President's core constituency of high-income GOP voters is concerned, Mr. Bush has fulfilled his campaign pledge not to raise their taxes.

I am confounded by the press's willingness to take President Bush at his word when he claimed that the summit agreement "does not mess with Social Security." The truth is that the summit agreement robs Social Security blind, as does this latest revision of the summit agreement. Both packages expressly provides that a total of $169 billion will be borrowed from the Social Security trust fund between 1991 and 1995 in order to reduce the Gramm-Rudman-Hollings deficit. So, concerning the Social Security trust fund, this agreement ensures that there will be no trust and no fund.

Likewise, neatly tucked away in both the original agreement and in this revised version is a provision for putting all new expenditures for the S&L bailout off budget. At the same time, the statutory debt limit is extended for 5 years and left open-ended. The game here is to grant congressional authorization for a blank check to fund spending by the Resolution Trust Corporation. Of course, this comes at a time when FDIC Chairman Bill Siedman says he will need at least another $100 billion to keep the bailout rolling just in fiscal year 1991. This budget trick solves Congress' and the administration's No. 1 political problem by keeping the S&L mess out of sight and out of mind.

Aside from the deceit, both the original and revised packages included are downright dangerous in terms of policy. Both packages officially kill any idea of a peace dividend. Gone are predictions of defense budgets being pushed down toward $250 billion over the next several years. Instead, the budget deal expressly locks in Pentagon budgets at no lower than $292 billion annually for the next 3 years. What is more, the cost of Desert Shield—whether it end up at $5 or $50 billion—does not count against the $292-plus billion spending limit. Instead of a peace dividend, the agreement awards the Pentagon a war dividend by exempting it from significant cuts and giving it carte blanche in the Persian Gulf.

Mr. President, this budget agreement is especially shameful in that it fails to address our changing national priorities. During the last year, our Nation has moved from the cold war to the trade war. We have a crying need for new investment in education and infrastructure in order to get our country moving and competitive. This budget deal offers a martial plan, not the domestic Marshall plan we desperately require.

I can tell you that the extremely low-spending ceilings for domestic discretionary spending are not adequate to fund even current program obligations. Beyond that, the agreement assumes zero new initiatives by the self-styled education president, environment president, child care president, and his like-minded colleagues in Congress.

Mr. President, this budget resolution presents us with a formula for a gridlocked Congress and a do-nothing Government for the next 5 years, during which time the budget agreement calls for at least $1.2 trillion in additional deficit spending. The deal provides three-way veto authority to a willful minority in Congress. Take your pick from the Sununu veto, the Dole veto, and the Darman veto. The Sununu White House can exercise the traditional constitutional veto requiring 67 votes for override. The distinguished Republican leader, Senator DOLE, has his own veto power under the provision requiring a 60-vote point of order for any bill exceeding the spending caps. And Dick Darman has yet a third veto option by virtue of OMB's authority under the terms of this package to rule unilaterally on whether a given bill violates the spending caps.

As I said, Mr. President, this is a sure-fire formula for a deadlocked legislature and a do-nothing Government. That may be just fine in the eyes of a President without an agenda. But America deserves an agenda, and a leadership willing to pay for it.

My own druthers, Mr. President, are for a package that incorporates an across-the-board spending freeze in conjunction with a cut in the capital-gains tax rate to 15 percent and an increase in the top income tax rate to 32 percent—a tradeoff that was endorsed this weekend by Vice President QUAYLE. I would also include entitlement savings of $6 billion as proposed by the President in his January budget submission—savings that do not gut Medicare in any way, shape, or form. This truth-in-budgeting freeze would save fully $50 billion in the first year, and in excess of $500 billion over 5 years.

Mr. President, I ask unanimous consent that a table illustrating the key elements of my budget plan be printed in the RECORD at this point.

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

Truth-in budgeting freeze—Fiscal year 1991

[Figures in billions]

Discretionary savings:	
Defense freeze (excludes Desert Shield)	$12
Non-Defense freeze	14
Entitlements [1]	6
Revenues	16
Interest	2
Total deficit reduction	50
Revenues:	
Eliminate tax bubble	4.2
Capital gains	5.0
Summit taxes [2]	6.8

[1] Entitlement savings include a freeze on doctor and hospital Medicare fees, elimination of lump sum, and assorted other summit agreement savings. No cuts in COLAs. Limits summit agriculture cuts to $1 billion.

[2] This excludes all trust fund revenues. It includes tobacco ($600 million), alcoholic beverages ($1.5 billion), luxury tax ($200 million), corporate underpayment interest limitation ($1.4 billion), itemized deductions ($500 million), payroll tax deposit ($1 billion), enhanced IRS enforcement ($700 million) and other summit savings.

Mr. HOLLINGS. Mr. President, I have shared this plan with many of

our Senate colleagues. Some two dozen Senators have said they could support such a truth-in-budgeting freeze.

Mr. President, there is a great deal of justified anger in the country over this budget debacle, primarily incited by the obvious inequity and deceit of the original plan. In contrast, Americans will accept an honest plan on the part of Government to deal with this fiscal crisis, as long as everyone shares the burden. My freeze ensures honesty and fairness.

The plan is simple—freeze all spending at last year's levels. On the spending side, this would mean a $12 billion savings in defense spending, excluding Desert Shield, a $14 billion savings in domestic discretionary spending, and entitlement savings which include a freeze on doctor and hospital Medicare fees, elimination of lump sum, and assorted savings already outlined in the budget summit. There would be no cost-of-living cuts. Agriculture subsidy cuts would be limited to $1 billion. Total entitlement savings, $6 billion.

On the revenue side, I propose we accept a cut in the capital gains rate in exchange for the elimination of the tax bubble. I would also accept the tax increases approved by the summit, including tobacco, alcohol, and luxury taxes, corporate underpayment interest limitation, itemized deductions, payroll tax deposit, enhanced IRS enforcement, and other summit savings. Total revenue, $16 billion.

With $2 billion in interest savings, the truth-in-budgeting freeze totals $50 billion in real savings in fiscal year 1991, nearly $10 billion more than the summit. Additionally, this plan, if adopted over the next 5 years, would mean well over $500 billion in total savings.

Mr. President, this freeze proposal is simple, direct, honest, and real. It simply takes last year's budget for this year's. No one's budget is cut. No one's budget is increased. We simply continue through 1991 with the very same budget that was approved last year by both Houses of Congress along with the President of the United States. This truth-in-budgeting freeze will break the deadlock that now paralyzes us. At the same time, it will take us a long way toward the balanced budget our country so desperately needs.

Mr. SARBANES. Mr. President, I want to take just a couple of minutes to talk about what is at stake in passing this budget resolution, the problem that we are trying to address. There are, in fact, three deficits that we have to face up to in this country. One is the budget deficit, another is the trade deficit, and the third is an investment deficit, which the Senator from West Virginia has spoken about eloquently on a number of occasions.

What is really at issue is getting our own budget in order, our own fiscal house in order in order to enhance our ability as a nation to compete internationally in the global economy in which we now find ourselves.

I hope the Senate will indulge me for just a moment or two. I have a few charts. I want to run through them very quickly because I know the hour is late and the time is limited. We are going to vote here in about an hour.

This is the Federal budget deficit. As one can see, in the 1980's, it just shot up. This is what we have been contending with.

The question is, then, why did this happen? Well, a number of my colleagues have alluded to it earlier in the evening. Essentially for two reasons. We had a large increase in defense spending. But expenditures on defense are spending just like any other spending. In fact, what happened in the 1980's is we had this runup in military expenditure, with a restraint and a leveling off in civilian expenditures. At the same time that we had this upsurge in defense spending, we also had an erosion of the revenue base because by the sweeping tax cuts that were made at the beginning of the 1980's.

Obviously, if we are going to increase spending and restrain or lower revenues, we are going to widen our deficit. And the consequence was, that is exactly what we did.

All of this comes in the context of trying to address a major trade deficit, in part affected by this budget situation. Not entirely, but in part.

This chart shows the deterioration in the American trade balance. This is back in the 1960's, but we could take it back even further. We have had an incredible erosion in our trade balance. We are importing far more than we are exporting. It has improved a bit in the last couple of years but we are still running a large negative trade balance. In other words, we are taking in more than we are sending out and the consequence of that is we have had a marked deterioration in our net asset position.

The United States has gone from being a creditor nation, internationally, to being a debtor nation. This chart shows that deterioration in our net asset position. This starting line is 1970. This one is the mid-1980's, when these accumulated trade deficits mounted up and drove us into a debtor position.

The United States was a creditor nation ever since World War I. We could run that chart back to World War I. We should show a positive net asset position. Now it has deteriorated. We are now a debtor country. We owe more to others than they owe to us. We are paying out every year in order to service that debt.

Just to dramatize that, I want to make this point about our position compared with that of Japan and Germany.

This is 1980. We see all three countries here with a positive net asset position: The United States, Japan, and Germany. Beginning in 1983 onward, the United States moves into a debtor position; Japan and Germany move even stronger into a creditor position. And the projections, unless we can change this, show a continued growth in that with the United States moving further into a debtor position and Japan and Germany moving further into a creditor position.

One of the things we are trying to do tonight with this budget resolution is to change these trends. We have to come to grips. I want to commend the very able and distinguished chairman of the Budget Committee, the Senator from Tennessee, for the really extraordinary contribution which I think he has made to this process, along with the chairman of the Appropriations Committee. They have worked together throughout all of this.

Could I have just 1 more minute?

Mr. SASSER. Mr. President, in view of the Senator's remarks, I will be pleased to yield 2 minutes.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Let me say, as we are approaching reconciliation, it matters how we do it. We want to achieve deficit reduction but how we achieve it is also an important question. First of all, we have to do it in a way, in my opinion at least, that we address some of this investment deficit. If we do not invest in our infrastructure, our transportation, communication network, in education and training, in research and development, we are not going to enhance our ability to compete with the other nations internationally, particularly Japan and Germany which are the very strong economies.

Look at this. This is nondefense research and development as a percentage of GNP. In 1971, the three countries were all roughly about the same place. The United States has stayed down here at this level; Japan and West Germany have risen. They are putting more money into nondefense research and development, and it is reflected in the economic gains which they are making.

So we need a budget resolution which is now going to be crafted by the committee which addresses some of these investment deficits so we can have a first-class transportation network, so we can educate our people for the competitive challenge they are going to face in the 21st century, and so we can be on the cutting edge of technology in terms of research and development.

The President finally conceded we cannot come to grips with this budget deficit problem without addressing revenues as well as the expenditure

side. We have to address both sides. We have to have restraint on the expenditure side and address the revenue side.

But we need on the revenue side to make sure that it reflects a sense of fairness and justice and equity amongst our people. That has been one of the struggles we have been going through here. It is essentially, from this Senator's perspective, whether those who are at the very top of the income scale are going to make a reasonable contribution toward meeting the Nation's problems, which I have set out here.

We have to pass this budget resolution tonight. We have to start coming to grips with this problem. We then need to go on and fashion a reconciliation measure that takes into account the necessity of a fiscal policy which will address the problems of the next century and put America back on track again so we can start to compete, so we can marshal our strengths, and so we can move into the international environment of the future in which a nation's economic strength may be more important to its international position than its military strength. That is the challenge we face tonight.

I urge my colleagues to vote for the resolution.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes to the distinguished junior Senator from Pennsylvania.

Mr. SPECTER. I thank my colleague from New Mexico.

Mr. President, I support the budget resolution because I think it is imperative that we move forward in the process of providing a budget and some cooperative responsibility for this country.

We have heard on the Senate floor in the course of the past year, really, lamentations on all sides. After months of negotiation, we have seen a budget proposal crafted by the leadership of this body and the other body and the administration. It is a budget proposal which failed in the House of Representatives because there were many faults in it.

Mr. President, I suggest the real issue is not how many faults there were but what was the alternative. During the course of the past 3 days we have seen Americans grow more and more disgusted with the Congress for our failure to act. Ten days ago, Mr. President, I said if we had a sequestration and had the automatic cuts, did not come to a budget compromise, there would be 537 of us in Washington out of work: 100 from the Senate and 435 from the House and the President and the Vice President; that the people of this country would toss us all out because we simply were not doing our jobs.

In the course of the past 3 days we have been in a stalemate and, as a result, many aspects of the Government have stopped their functions. However, because it was the weekend, there were those who could afford to play the delaying process. As we approach midnight, 1 hour and 2 minutes from now, that time is up. We simply have to act.

Mr. President, it seems to me that we really have to come to grips with the basic proposition that politics is the art of the possible and we have to compromise. Beyond compromise, which may be described as making concessions to come to an agreement, we really need the sense of accommodation and we need the sense of generosity which this body and the other body and America seem not to possess today.

We really are out for every last drop of every last issue on every matter which we face. During the 10 years that I have served in the Senate, the process of the U.S. Senate has been characterized by our budget. Last year, we came to terms at 3 a.m., on December 22, and if we could have postponed Christmas we would have on that occasion. I made that comment on last Saturday afternoon to an empty Chamber and I was surprised to hear some response from the galleries.

The galleries were full on that occasion. The reason they were full was pointed out by my distinguished colleague from Kentucky, Senator FORD, who followed after I spoke.

He said, the galleries are full because the other zoo in town is closed; people could not get into the other zoo, which Senator FORD spoke about, and I say that with some trepidation because the distinguished chairman of the Appropriations Committee may cite that as an inappropriate comment on the Senate floor. I think that it had a lot of merit and that the operation of Government has become pretty much like a zoo.

This budget resolution we are considering tonight is not perfect. I do not think it is possible to devise one which is perfect. Speaker after speaker tonight has lamented about what is going to happen with this budget resolution.

On the side, it is going to help our problems in international trade and, on the other side, it is going to be destructive. On the one side, it is going to help drive interest rates down and, on the other side, it is going to be destructive of interest rates.

In the Appropriations Committee, we had economists testify with many opinions. In the Senate, we hear 100 Senators argue and we hear 1,000 opinions because they are opinions stated 10 times over in every Senator's speech.

Mr. President, I conclude where I began, and that is with my deep conviction that it is necessary to move ahead with the process. I am very much concerned that we may not resolve it in the course of the time span between now and October 19. We have a great deal of work to do. It is going to have to be done in good faith and it is going to have to be done in the sense of accommodation.

I think of what my father told me about a partnership. He said, "Arlen, if you are in a partnership with a person, give 60 percent, because it will look like 50 percent to the other person. If you give 50 percent, it will look like 40 percent. So try to act with just a little bit of generosity and give a little more than you might think you have to."

I think this country is great, Mr. President, because of the sense of generosity which somehow seems to elude us. We have the greatest productive power on Earth. We have the power to solve all the problems in this country, every last one of them, in terms of the homeless, in terms of housing, in terms of aging and health care. Somehow we cannot seem to take the next step forward. We have gridlock.

Americans cannot stand it and Americans will not stand it. I think we have to move forward. Since my time has expired—I have a great deal more to say—I will conclude to stay in the parameters of trying to move this process forward. I thank the Chair and yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Tennessee.

Mr. SASSER. Mr. President, I yield 4 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. METZENBAUM] is recognized.

Mr. BURNS. Will the Senator yield just so I can insert a statement?

Mr. METZENBAUM. Not on my time.

Mr. BURNS. On our time or anybody's time?

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 4 minutes to the Senator from Ohio, and I ask the Senator to withhold until Senator DOMENICI is here.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. METZENBAUM. Mr. President, I think we are all here this evening to try to objectively move forward with respect to the budget process to keep the Government running. I think there are three parts to this whole package. I think the American people understand it. One has to do with the amount of money we spend on domestic concerns, one has to do with the amount of money we spend on defense, and one has to do with the

amount of income this Government has through its tax procedure.

I just heard the distinguished Senator—and he is a distinguished Senator, and there is probably no more respected Senator in this body than the senior Senator from Georgia—address himself to the subject of defense spending.

Let us not kid ourselves. Defense spending is protected in this budget agreement. The Senator from Georgia talks about the amount of savings that will be affected, the cuts that defense is taking. But the fact is that the House Armed Services Committee said that they could save over $250 billion over 5 years in defense spending. This budget agreement has a figure of $170 billion in savings of 5 years, an $80 billion spread.

The fact is that American people do not understand it. The American people do not understand why when the Soviets are moving their troops out of Europe, when the West Germans are paying for the Soviet troops in Eastern Germany, while we have 310,000 troops stationed in Europe.

I respect the Senator from Georgia when he says we do not save anything just by bringing them home. We certainly would save on the balance of payments and certainly we would save much more if we had a reduction in force.

The American people cannot understand why we are spending so much money on this exotic weaponry and planning new exotic weaponry until we recognize and appreciate the fact that years ago, not too many years ago, you could go to the American people and say we want more spending for defense and the crowd applauded and they cheered. That is not so any more. Today they understand we ought to be cutting back on defense spending.

Even though the Senator from Georgia says that the vote was 79 to 16, that only tells part of the story. Most Members of this body do not like to vote against a defense spending bill, defense authorization bill. But the reality is that the Senator from Georgia is the one man in this entire body who is in a position to provide leadership to produce some effective cuts in the defense budget, and this budget does not produce that kind of effective cut.

This is the same amount as was in the authorization bill. But we had other authorization bills for domestic spending, and they will be cut by reason of this budget. Defense is a sort of a protected enclave. We cannot touch it. We cannot move in on it. We cannot eliminate any. We cannot cut back.

We can pay for all the troops defending Korea and all of the troops that we have in Korea and all the troops defending Japan. And we can pay for the troops in Europe. But we cannot cut back on defense spending. Why? The American people want an answer, and they are not getting an answer in this budget.

There is only one way they are going to get an answer because I am frank to say that I cannot offer an amendment here and cause it to be agreed to because there will be a coalition of some Members on this side and all of the Members on that side who would probably not vote for it, and I understand that.

But the one man who is in a position to provide that leadership who has the respect and the ability to, who knows what it is all about, is the distinguished Senator from Georgia. And so I say to him plaintively——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METZENBAUM. And I say to him respectfully, you are the only one who can provide the leadership to help us do something about the defense spending in this country. I really hope you will.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I believe we reserved 10 minutes for Senator McCLURE.

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

Mr. McCLURE. I thank the Chair and I thank my colleague from New Mexico. I will try to use less than that time. The hour is late, and I know people are trying to get to a vote, and, indeed, it is important for the country that we do that.

My purpose is not to debate the composition of the resolution that we are about to agree on. My purpose is not even to try to outline the distaste that I feel for how we arrived at the point we are. In my judgment, we should have been fighting this budget resolution over a period of weeks, much earlier in the year, as provided by the budget law. We are violating the law in having failed to do so much earlier in the year.

But I am not going to complain about that because I am concerned about how we get from the point we already find ourselves to the point of resolution. I have listened to some of my friends over the last weeks and months and, indeed, in the last few minutes talking about their own view about how we ought to be treating this problem. I intended earlier and thought seriously about saying what is the real fact, what is really behind this, and state it in terms of what everybody in this body knows. But I am constrained to withhold that this evening and say instead what I know, what I believe, and not ascribe it to anybody else's motives or to their knowledge or to their purposes because if there is any one thing that is abundantly clear, there are differences of opinion between us that must somehow be resolved. The American public may well want more defense, not less. There are those who say they want less defense, not more. There are differences of opinion within this body as to what it is they wish. That is the way this body ought to function in terms of differences of opinion between people on both sides of the aisle, between both political parties, between the Congress and the administration, each stating what it is we believe and contending for our viewpoint.

But the one thing the American public does not understand and cannot stand and should not have to stand is the continued disagreement over a solution. Classically, if there is a difference of opinion that cannot be reconciled, parties on both sides get together and make some kind of an agreement that compromises the viewpoints. That is what this budget resolution is about. But let me sketch just behind that what is not understood by the American public, in my view, because we have not told them.

What is the essential political economic debate about over the last 10 years? Well, every generalization is false and so is this, and it is inaccurate at the edges, but in the main I believe it to be true. I believe it is fair to say that the Democratic Party and their Representatives in this body want more Government, more Government services, more governmental activities, and they are willing to raise more taxes in order to get it. But Republicans have been beating them up over taxes, and the American public does not want taxes. So the Democrats are afraid to admit that they want more taxes.

On the other hand, Republicans believe that we are not in trouble because we tax too little; we are in trouble because we spend too much, and we want to restrain the growth of Government and restrain the cost of Government and by doing so eliminate the necessity for raising taxes. But because we are afraid that the American public wants those services and will object if we curtail the growth of those services, that somebody will object about what we are doing, therefore we are busily trying to cover up the fact that we want to restrain the growth of services and the growth of Government.

So you have the Democrats on one side trying to cover up their agenda and its cost, and the Republicans are busy trying to cover up their agenda and its cost, and the American public says what in the world is going on?

I do not blame them, because we are not telling the truth, as I see it. It seems to me that it is time for us, in this budget resolution, to cut that out.

The American public is saying, for heaven's sake, you are grown men, and why can you not resolve your problems? We could, if we were honest. We could, if we were willing to lay those facts out on the table and say, OK, you, in general, on that side of the aisle want more Government but want to raise taxes. The President did not ask for more taxes. He did not agree to more taxes because he wants them. He agreed to more taxes because he understood that in order to get a compromise, he was going to have to give people on the other side of the aisle that much in a compromise.

Now, why do we not admit on this side of the aisle that we want to curtail the growth of Government? That may impinge upon somebody who likes something they are getting from Government, and the people on the other side of the aisle are right in telling us, come on, level with the American public: You are trying to cut back on the growth of Government.

We are. I am proud of that. I am not ashamed of that. I am willing to talk about the Republican agenda. But let us, for heaven's sake, at least tell the American public what the argument is about and then get about compromising, as indeed the President of the United States said some weeks ago he was willing to do.

Yes, indeed, some taxes may have to be increased. I am totally opposed to that. I do not think it is necessary. But some on that side of the aisle believe it is necessary. All right, I will meet them halfway. I will meet them in the middle of the aisle. I will meet them on this proposition and say OK, we will increase some taxes if at the same time we get some restraint on the growth of Government.

That is what the debate is about, and that is why we are having difficulty getting there, because neither political party wants to admit what their agenda is, and neither political party is proud enough of their agenda and confident enough of its appeal to the American public to state it clearly.

That is my view about what the dilemma is. I think every Senator will have to examine in his or her own heart whether they believe that is the heart of the dilemma that we face. But if it is, there is only one solution, and that solution lies in each side giving a little bit.

I do not know that this resolution will produce that kind of real compromise. I thought the last summit agreement gave too much, from my point of view, toward your point of view or toward somebody else's point of view. But it was a reasonable attempt, and I was prepared to accept and support it if my vote was necessary to pass it, because if there is one thing the American public and the world understands, it is that we cannot continue to go on spending more money than we have. We cannot keep on burdening the future of this country the way we have with a national debt that now has an interest rate that is the fastest growing part of the entire budget, that is going to crowd out discretionary spending if we do not find some way to eliminate it.

Certainly the growth of the entitlements programs is another part of that problem, and we have to find both the political will and the courage and the means to curb the growth of entitlements programs and their spending so that we can have room for the discretionary spending and levels of taxation, which I do not agree with but which will be the result of a compromise.

That is exactly what I think our dilemma is. I will not try to ascribe motives or even put in the mouths of anyone else what it is they think about where we are. But that is the way the Senator from Idaho believes we have to address this question, and I believe this budget resolution gives us the chance to do that.

Will it do that? I think the budget summit—and I give great credibility and a lot of compliments to the people who tried to put that together over a period of weeks and months. Perhaps it was predictable that, indeed, the first one out had to be defeated, because none of us like it. I do not think even the people who put it together really like it. They knew it was the best they could do.

So until we get to the point of being mature enough to understand that other people who have a different point of view are entitled to their point of view, and they are not necessarily wrong, although we believe they are wrong, that they are entitled to their point of view and they may be right, and they have a right to expect to be partially met on their point of view, the American public says to the Congress of the United States: Get on with the business of the country. Quit this posturing. Quit paralyzing Government.

In my view, the American public is exactly right. It is time for us to quit posturing. It is time for us to put aside our partisan differences and our philosophical differences and find a reasonable compromise between opposing points of view. This budget resolution can do that.

The reconciliation that must be produced will have to meet certain guidelines. I am absolutely confident that the President of the United States will veto a reconciliation bill that does not come pretty close to the budget summit guidelines. I am confident that if it departs very much in one way or the other, it will fail.

The PRESIDING OFFICER. The time allocated to the Senator from Idaho has expired.

Mr. McCLURE. I hope we do our job in the time that is constrained by the CR and in the way that is outlined in the budget resolution.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield the Senator from Nebraska 2 minutes.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. I thank my friend from Tennessee. I want to congratulate all the very hard work that has been done by the leadership of the U.S. Senate. We are here tonight, I guess, to begin to do something.

The good news, Mr. President, I suggest, is that maybe the exercise, as painful as it is, and the painful exercise that we go through between now and 19th day of this month—maybe we will bring home to the American people what this Senator and others have been telling the Senate for a long, long time with a whole series of measures that we tried to get through years and years ago. That is the good news.

I simply want to say that this is another grand compromise, and I hope it works. I will be looking and having a part in figuring out how this plays out, and the changes that had to be made after the rejection of the original proposal by the President. I am afraid that this grand compromise, as well-intentioned as it is, will fall far short of covering the real problem as addressed very ably by the Senator from Georgia.

May we have order in the Senate, Mr. President?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. The Senator from Nebraska has the floor.

Mr. EXON. I intended to use many of the same statistics that the able Senator from Georgia used. I ask Senators to reference those very closely.

This is a very, very serious problem. This is a tiny step forward and not a leap forward in solving the problem. Maybe it is worthwhile, but I have some grave concerns about it, including let me say, that I could not disagree more with the remarks made by the Senator from Ohio. Indeed, the very able Senator from Georgia is the one that is leading us very ably to making the reductions in defense spending that are obviously necessary.

I do not have time to go into that any further at this time, but I for one am very pleased that we have SAM NUNN where he is to do the job that has to be done to keep the defense solid but still cut the cost. I reserve the reminder of my time.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post of October 7.

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

THE BIG LIE THAT CAUSED THE BUDGET CATASTROPHE

(By Lester Thurow, dean of MIT's Alfred P. Sloan School of Management)

In 1980 the American electorate embarked on a grand experiment—supply-side economics. Ten years later, that experiment continues to warp the political process. Its enduring influence explains why Congress and President Bush found it so difficult to reach any budget agreement at all; why the failed agreement was so peculiarly shaped; and why the public nourished on a decade of false promises, seems unwilling to make even modest sacrifices to assure the nation's economic future.

In the current economic climate almost any solid deficit-education package would be welcome. Still it is remarkable that the initial deal struck last week would aggravate the very features of the current tax system that seemed most generally objectionable to tax experts and the public: Its "small business growth incentives" would offer new tax dodges to the wealthy—who had supposedly traded away their shelters for the much lower tax rates provided by the 1986 tax reform; its tax-deduction limit would worsen, rather than eliminate, the disreputable "bubble" feature which grants the very, very rich lower marginal income tax rates, and hence lower capital-gains tax rates than those faced by the merely well-to-do taxpayers; and it would increase the relative tax burden borne by the low- and moderate-income taxpayers. All this in a package endorsed by Democratic leaders who claimed to have tax fairness as their top concern.

What explains the persistence of supply-side mythology? From where comes its power to so constrain American politics?

When America first jumped on the supply-side bandwagon, people felt, rightly, that the economic performance of the 1970s was unacceptable. The political and military affronts in Tehran were compounded by the vision of a chained economic giant wilting in the face of Japanese and German competition.

A GNP growth rate of 2.8 percent was unacceptable when compared with the 4.1 percent growth rate of the 1960s. That dismal record was compounded by an even more important measure of economic performance, productivity growth—the rate at which a nation is becoming more efficient and hence more affluent. The 1960s growth rate of 2.9 percent has fallen to only 1.4 percent in the 1970s. Such a decline meant that instead of doubling every 24 years, America's standard of living would take 50 years to double—each generation could no longer expect to have a standard of living twice that of its parents. Facing these facts Americans were willing to try something new and different.

Supply-side economics, as enunciated by President Reagan and later embraced by Bush, promised that lower taxes on upper income groups would stimulate savings and hence permit more investment—the argument used by Bush to advance his capital-gains tax cut proposals in the recent budget summit. Higher investment would lead to higher growth. In addition to restoring economic vigor and rebuilding international competitiveness, higher growth would accomplish two other important objectives—without asking for painful sacrifice from anybody.

First, with a larger economy, government tax revenue could go up even though tax rates had been reduced. In 1981 Reagan promised that the federal budget would be balanced in 1985 without having to make significant spending reductions. Second, although most of the tax cuts would go to high-income individuals (it was they who had the capacity to save more), higher growth would lead to better paying jobs for middle- and low-income Americans. In the short run their total tax rates would go up—for 80 percent of the population the extra payroll taxes they would be asked to pay to fund Social Security would be larger than the income tax cuts they would get. But with higher earnings they would in the end benefit. All gain, no pain.

Politically supply-side economics delivered the goods—three presidential elections have been won using it—but economically it has not delivered on any of its promises.

Where higher GNP growth was promised, lower growth was delivered—2.6 percent over the decade of the 1980s. In 1990 the economy is stalled on the lip of a recession, just where it was in 1980. Because of the debt and banking problems built up during the 1980s, any recession in the 1990s will produce levels of bankruptcy not seen since the Great Depression. Even without a recession, middle-income wealth is melting away as housing prices fall in much of the nation in reaction to the debt excesses of the 1980s.

Instead of growing faster, productivity slowed down—1.2 percent during the 1980s. In 1989 productivity actually declined. There is only darkness visible at the end of the productivity tunnel.

Savings rates plunged. In the last four years of the 1970s. American families saved 7 percent of their disposable income; in the last four years of the 1980s, they saved only 4 percent. The rich saved nothing from their tax cuts. In contrast, the Japanese saved 15.7 percent of their income in the past 12 months.

If total national savings (a measure that includes corporate savings and government dissavings) is examined, savings fell from 17.4 percent of GNP in the last four years of the 1970s to 11.3 percent of GNP in the last four years of the 1980s. As a result, in 1989 Japanese investments in plant and equipment per worker were three times as large as those in the United States.

At the beginning of the decade the United States had a small surplus in its trading accounts ($1.5 billion in 1980 and $8.2 billion in 1981). At the end of the decade it recorded a current-account deficit of $129 billion in 1988 and $110 billion in 1989. What was a competitive problem at the beginning of the decade was a competitive disaster at the end of the decade.

In 1981 the United States was the world's largest creditor nation with net assets totaling $141 billion. Every year the rest of the world paid interest, dividends, and profits to Americans. By 1989 the United States had become the world's largest net debtor nation with debts totaling $620 billion. Where Americans used to get, they now give.

The federal deficit did not, of course, vanish in 1985. In the year ahead, the deficit is estimated to be $254 billion and rising if last week's deficit reduction proposals are passed by Congress ($294 if they are not) and over $300 billion if the Social Security surpluses are excluded from the totals, as they ought to be. A budget summit that reduces the deficit by $40 billion is essentially the equivalent of Nero fiddling while Rome burns. The difference is that Nero wanted to burn Rome so that he could rebuild it—the Roman Colosseum was his. Unfortunately there is no evidence that the current fiddlers have any real rebuilding in mind.

President Bush is fond of saying that "we have more will than wallet." He has it exactly backwards. Our GNP after correcting for inflation is four times as large as it was in 1947 when we were paying to rebuild the world after World War II. Our per capita GNP is 2.3 times as large. We can afford to do what must be done abroad; we can afford to do what must be done at home.

America is not an over-taxed country. In 1989, Americans paid fewer taxes as a percentage of GNP (about 30 percent) than the citizens in any other industrial country. Taxpayers in 22 industrial countries, including Japanese and the Germans, paid more. Moreover, there are places where the budget can be cut without harm. Based on the performance of other countries (far lower spending levels; far better performances when it comes to health and longevity), substantially less could be spent on health care if the system were fundamentally reorganized. The events in Eastern Europe mean that big defense cuts can occur while still maintaining our ability to fight wars in the Third World. America has more than 2 million troops; fewer than 200,000 are in the Middle East.

The American problem is will—not wallet. In a democracy, will depends upon leadership and in the United States that means presidential leadership. It isn't leadership to spend months arguing that a capital-gains tax cut is the most important issue facing the American economy.

Whatever one believes about the growth-enhancing aspects of a capital-gains tax cut—or other "tax incentives"—everyone agrees that they leave more after-tax income in the hands of the wealthiest. In the last decade America had already had a heavy dose of that kind of "sacrifice."

Recently the U.S. Census Bureau confirmed that inequality in the distribution of income had increased substantially in the last decade. Every statistic points in the same direction. In the decade of the 1980s, the average real income of the top 5 percent of the population rose from $120,253 to $148,438. At the same time the average real income of the poorest 20 percent fell from $9,990 to $9,431. After-tax measures of income would report an even wider gap. As the income share of the top 20 percent rose in the 1980s, the income share of each of the bottom four quintiles was falling—the lower the quintile the bigger the decline. Despite a 21-percent rise in the real per capita GNP, the average real hourly wages of rank-and-file workers fell 5 percent. Those promised good jobs for middle- and low-income Americans did not appear.

If the income share of the rich is rising at the expense of the rest of the population (it is), if government is directly altering its policies to augment the income share of the rich (it has), if the campaign contributions of special interests increasingly dominate the political process (they do), if fewer and fewer middle- and lower-income individuals vote (it's happening), America is, under the cover of supplyside economics, rapidly moving towards becoming (dare we say it openly?) a plutocracy.

Unfortunately history tells us that as a social and governmental system, plutocracy does not for long work.

Mr. KERREY. Mr. President, the budget debate this year has been different than last.

It began the same as last year: The President addressed the joint session of Congress telling us the deficit was under control. This relaxed attitude—the year before he told us deficit reduction would be easy with the $80 billion of new revenue being generated by a healthy economy—encouraged all of us to roll out our own proposals for new spending.

However, as he did in 1989 with his Savings and Loan Program, we in Congress were outdone by the President who wins first place again in 1990 in the most expensive spending proposal of the year category. This year's award goes for his suggestion that we invest $500 billion to send a handful of Americans to the planet Mars.

When the year ended in October 1989, President Bush, who would prefer to address international rather than domestic problems anyway, agreed to go along when we told the American people the deficit for fiscal year 1990 would be $110 billion. This year, with the economy on the edge of recession, with our lenders—Japan and West Germany—indicating they may be less interested in funding our debt, and with the Savings and Loan Program costs growing by leaps and bounds, and with enough time having elapsed that the President felt it would be OK to break his pledge not to raise taxes, and with our own budget committee unable to resolve the bitter conflicts of increased need and decreased revenue this year with all these and more bearing down upon us, the leadership of Congress agreed to sit down with the President to fashion a bipartisan agreement.

One additional thing happened on the way to the disasterous scene last week when a President with approval ratings in the 70-percent-plus range could not convince the Nation or 80 Republican House Members to support a very modest proposal to reduce our deficit over 5 years. It is modest because in the end—it will still require us to borrow an additional $1.2 trillion over the next 5 years and will in the first year merely reduce the size of the deficit increase.

The additional happening was the tremor set off by Senator MOYNIHAN when his longstanding attempt to expose the borrowing from the Social Security trust fund finally took hold. All of us returned to Washington last year with Senator MOYNIHAN's battle cry ringing in our ears: "By what right and for how long are we going to make deficit reduction the singular burden of Americans who get paid by the hour".

Mr. President, Americans who get paid by the hour have begun to figure out what all this talk about the need for tax incentives and increased opportunity means. It means they will pay more and they will get less from a Government which would be technically insolvent without their contributions. Their protest, more than any other, has scuttled the proposal offered by the budget summitteers.

Some here hope this agreement, which we will pass tonight with my support, will calm the rising protest from the voters. Let me make a prediction: The small tail we have pulled at for 5 months does not belong to a small cat; it belongs to a lion—the American people—who will devour us all unless we go further.

We must go further with spending reductions particularly those which affect the size of the Federal bureaucracy here in Washington, DC. Americans will not be pleased when they learn we have reduced their program payments and increased their taxes while the payroll in the Nation's Capital continues to grow.

We must go further than the $725 reduction in take-home pay which will occur for Members of Congress with the proposed increase in the Medicare ceiling. If the full-time equivalents for Federal employees grows, while we are reducing the resources available to local government, we are going to struggle to explain what and why we have done this.

Mr. President, I received a letter from Nebraska this week from a small businessman who has been abused by the SBA, OSHA, and the Department of Transportation. He is not alone in describing the world thus:

> I find that my own Government is my biggest problem. I can work around the weather, I can improve our beautiful forest while providing income to many people, I can handle environmental concerns, I can find markets for our local resources, but my Government has me whipped.
>
> There is no way Congress or the administration will ever, ever balance the budget with these agencies so out of control that they choke off any incentive that Americans have, while building their outfits into more powerful organizations each year at the working man's expense. If I act completely irresponsible some agency will bail me out. If I strive to be responsible for my own actions other agencies will consider me fair game.

Mr. President, it is not just small businesses who are struggling with the institutions we have created to help them. The list includes teachers, welfare recipients, Medicare patients and providers, builders, environmental activists, and farmers.

All of these people heard the candidate, Ronald Reagan, say that Government is the problem and then watched him preside over one of the most spectacular increases in Federal power in the history of the United States of America. Alexander Hamilton would be proud of the fine work of President Reagan.

As one who believes America is hungry for a progressive domestic agenda, we must remember the intense distrust which rightfully exists in the heart of the citizen toward their Federal Government. For those of us who see the need for an aggressive domestic agenda to address the desperate need of America's children, to restructure our health care system, to tackle the declining performance of our schools, to address the growing shortage of affordable housing, and to rebuild the deteriorating infrastructure of our country, we dare not propose solutions which continue the centralizing trends of the past 10 years.

Rather, I believe we should accept this budget resolution and should resolutely push beyond for further real decreases in spending. Until we do the taxpayers of this country will not trust us with further proposals to make their lives better.

I do not view this deficit-reduction effort as an exercise in mathematics. Nor do I view it as a passive political move designed to avoid our responsibilities.

Mr. President, allow me to predict what we will face when our work ends this fall. We will pass a budget the President can sign which will reduce the deficit by $34 billion in the year beginning October 1, 1990. Regrettable, the American economy will continue to weaken through the first quarter of our fiscal year and the deficit, rather than being reduced from $294 billion to $260 billion, will grow beyond $300 billion.

The pressure from rising energy costs will at least in the short term mean higher inflation and higher long-term interest rates. This is likely because the cost of borrowing money is more dependent upon inflation expectations than it is upon the size of the Federal fiscal deficit.

As the cuts in some of the entitlements take effect—most notably in agriculture—the consumers of America, who are responsible for two-thirds of our economy, will consume less. This will put further downward pressure on our economy.

Unemployment and the pressure on food stamps, AFDC, and Medicaid will grow. Although it is still possible for us to avoid a severe recession, it is unlikely we will avoid a mild one.

The Savings and Loan Program, already estimated to cost $122 billion in this next fiscal year, will cost us more as real estate values decline and the damage spreads to the commercial banking and insurance sectors of our banking system. The additional $100 billion in energy costs—paid by consumers and businesses alike—will make matters worse for the most expensive domestic program in America's history.

Mr. President, the desire to restore growth to our economy will become stronger as the year goes on. Those

who believe the answer to the question of how to increase our productivity and growth lies with additional tax incentives will argue that we need to make further changes in our Internal Revenue Code.

While not disregarding the incentives and disincentives of our tax policies, I believe we should also analyze the impact of our spending policies. I believe we should pay attention to supporting and getting our money's worth for those spending programs which will add value to human beings—child care, nutrition, training, education, housing, and infrastructure—to lead America toward higher productivity and growth.

Most importantly of all, Mr. President, in the fire storm which has surrounded this budget proposal and which will hopefully not subside with its passage, we need to pay attention to some intangibles. No government program—Federal, State, or local—can substitute for personal attitudes of responsibility, honesty, and selflessness.

A few weeks ago in the Omaha World Herald we learned from a writer, James A. Flannery, about the growth in the numbers of children in Nebraska born out of wedlock. In 1970 the number was 6 percent; in 1990 the number was a startling 20 percent. In Omaha the number was one out of three. For African Americans in Omaha 78 percent of all children were born out of wedlock.

I believe much of this change is due to the increased difficulty of supporting a family on an hourly wage. Much of the change is due to our failure to respond to the rapidly increasing requirements of the competitive workplace. High real interest rates, rising costs of health care, transportation, and education have squeezed the disposable income of working families. It is also undeniable that our own welfare system has contributed to some of the increase.

However, the greatest contributor I believe is a change of attitude that has encouraged people to be irresponsible and to care only about what is in it for them right now. If we are to make this deficit reduction package work, we are going to have to work to set new examples for our people to follow. Rather than idolizing and rewarding the greed and avarice and unashamed, conspicuously excessive consumption of that small percentage who love to take us to dinner, we must idolize and reward those who save and sweat to produce one small item of quality.

This deficit reduction package—if we follow it with further action—could be a great first step in turning this county in a direction which will enable us to do better and feel prouder of our accomplishments not just as politicians, but as human beings.

Mr. KASTEN. Mr. President, I will oppose the new House-passed budget plan for many of the same reasons I opposed the original budget summit agreement: It imposes the largest first-year tax increase in history, and it fails to provide real progrowth incentives—like a capital gains tax cut—to stave off recession.

Second, many of the savings are based on unrealistic economic assumptions. For example, who in their right mind believes that GNP growth will double by 1992 in the face of the largest tax increase in history? Does anyone really believe that the price of oil will fall to $24 per barrel next year? How on earth are long-term interest rates going to fall when the Federal Reserve is supposed to ease money which in turn raises the inflation premium in long-term interest rates?

Third, the proposed tax increases would discriminate against my State of Wisconsin. A gas tax would single out large and less densely populated States like Wisconsin. The doubling of the beer excise tax will cost 2,300 jobs in the Wisconsin beer industry, a major employer in my State. And the proposed tax on home heating oil would unfairly hit the families of cold weather States like Wisconsin.

This budget resolution is even worse than the original bipartisan budget summit agreement. It envisions $10 billion more in new taxes and $10 billion less in domestic savings. It raises the net tax increase on the economy by $29.1 billion over 5 years for a grand total of $162.9 billion.

Mr. President, there is no economic theory that I know of—keynesian, supply-side, or monetarism—that argues for higher taxes when the economy is sliding into recession. There is no tax increase that has ever been designed to that would cause people to work harder, to save more, or to invest more in America's competitive future.

There is now talk of raising income tax rates in exchange for a capital gains tax cut. I would vehemently oppose such a tradeoff. In my view, you have to earn income first before you can invest it. If you raise tax rates on earned income, you reduce the amount of earned income—and therefore the resources available for investment.

An increase in income tax rates would increase the political pressure to restore tax loopholes that were eliminated in the 1986 Tax Reform Act.

More importantly, any increase in tax rates is the camel's nose under the tent. It's the first step down the road to a punitive and progressive tax system. It establishes the legitimacy of soak the rich tax policy that will end up killing our economy.

Mr. President, instead of increasing tax rates, we ought to be cutting tax rates to spur economic growth.

Let me quote a former President who believed in supply-side incentives to fight the deficit:

> Our true choice is not between tax reduction, on the one hand, and avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profit.

This is not Ronald Reagan or George Bush, but President John F. Kennedy.

JFK didn't prescribe progressive tax increases to solve the budget and economic problems of the early 1960's. Instead, he sought tax cuts every bit as favorable to the rich as anything Ronald Reagan or George Bush has ever proposed.

What happened? By encouraging productive activity, the rich paid more taxes. The budget deficit declined. And the Nation entered a period of unprecedented growth.

Mr. President, today we need the same kind of tax cut policies to get America moving again. We ought to cut the tax burden on labor—by cutting payroll taxes—and on capital—by reducing and indexing capital gains taxes. Freeing up both labor and capital would increase the productive capacity of our economy.

History proves that progressive tax theories don't work. Raising income tax rates in the name of fairness ends up reducing opportunities for all.

This budget plan simply perpetuates the same old tax-and-spend practices that got us into this mess in the first place. Furthermore, the desire on the part of some to impose the largest first-year tax increase in U.S. history simply is not justified by the facts.

The case for new taxes goes like this: Under the Reagan administration, tax cuts for all Americans have impoverished the U.S. Treasury—and Federal spending has been mercilessly slashed to the bone.

Under this theory, I think most folks would conclude that higher taxes are needed. The only problem with this theory is that it simply is not justified by the facts:

Since 1981, tax revenues have doubled. Tax revenue growth averaged 7.4 percent a year. The tax burden is at a near record high of 19.4 percent of GNP.

Since 1981, Federal spending has skyrocketed from $678 billion to over $1.2 trillion. Annual spending growth averaged about 8.0 percent a year. Federal spending consumes between 22 and 23 percent of GNP.

Given these facts, I think most people would conclude that the deficit is caused by too much Government spending, not too little taxes.

Mr. President, aside from the substantive objections I have with this plan, I think the way by which the budget summit was developed raises some very troubling questions about the future of our democratic process.

For the last 6 months, important decisions that affect the lives of every American citizen were made in secret by a small group of legislators and the White House staff. No public hearings were held to permit democratic participation. Most Members of Congress had little or no influence on the tax and spending policies that affect their constituents.

The Congress was told to swallow this plan—hook, line, and sinker. The Congress was told to rush through the largest first-year tax increase in U.S. history without hearings and without substantial debate.

The summit process had, in effect, short circuited the democratic process. Last week's vote in the House sent a signal to Congress that the American people want—and deserve—far more input.

I know the house is late. It's much too late to go all the way back to the drawing board. But if we reject this package now, I think we can make some adjustments to this package. We could reduce the level of tax increases, we could inject some realism to the assumptions, and we could limit the growth of nondefense spending.

In this way, I think we can make some progress on the deficit without hurting the economy.

Finally, Mr. President, an argument has been made on the floor that a vote for this budget resolution is a vote to keep the process moving.

This argument is simply wrong. This budget resolution represents a blueprint for the country. It is not an internal congressional document. It's a statement about what our priorities are as a nation—how much of our national resources we will spend and how much we will tax.

It represents a vote for principles as well as process. This Senator will not sacrifice principles for process.

TAX INCREASES: UNWISE AND UNNECESSARY

Mr. HELMS. Mr. President, we have heard repeated declarations that this latest budget agreement—like the one that was overwhelmingly rejected last week—includes tax increases; plus spending cuts; both of which will solve the Federal budget problems; and thereby help the Nation's economy.

All of which is pure hokum, because, at best, it is exactly one-fourth correct. It contains the largest tax increase—or maybe the second largest, depending on whose figures you believe—in history. But that's about all that even borders on being accurate.

Now as several Senators have demonstrated tonight, Federal revenues have more than doubled since the level in 1980—from $517 billion to $1.044 trillion. No one can convince me that our budget problems are the result of a lack of revenues. Yet this resolution calls for more than $134 billion in tax increases over the next 5 years.

In fact, Mr. President, the only difference I can discern in this resolution and the one that was rejected last week, is that it calls for even more tax increases and less spending cuts. At least with the first resolution, we knew what taxes were encompassed; in this one, nobody yet knows what taxes are encompassed.

Mr. President, most economists agree that our economy is either on the verge of a recession, or already in a mild recession. Now you can ask a dozen first-year economics students what is the worst thing Congress can do when the economy is entering a recession. You will likely get the same answer from all 12: raise taxes.

A huge tax increase, as required by this resolution, will harm our economy and lower the standard of living for all Americans.

Some of the tax increases that have been discussed are particularly bad. The 12-cent increase in the gasoline tax will add to the hardship that Saddam Hussein has already inflicted on American consumers.

Excise taxes on cigarettes, alcoholic beverages, and the like are always easy targets. But excise taxes always fall the hardest on the lowest income people in the economy.

The so-called luxury tax is another easy target. Few, if any, of my constituents are likely to buy a $30,000 car, or a $100,000 yacht, or a $5,000 fur coat. But I predict that if this so-called luxury tax is enacted, it will adversely affect each and every person in this country.

Why? Because it is the first step toward a national Federal sales tax. Mark my words. Once a tax is created, it takes on eternal life—it never goes away. It always gets broadened and increased.

The telephone tax is a perfect example. It has been scheduled to expire a number of times. Yet it is always extended.

Now what about the spending cuts encompassed in this resolution? As has been pointed out, it will be left up to the various committees. But if the so-called cuts encompassed in the previous resolution are any guide—and I have every reason to believe that they will be—we will see cuts like: First, increasing the premiums for Medicare; second, imposing a host of user fees to generate additional income; and/or third, requiring the Postal Service to pay billions to the Treasury.

Mr. President, without arguing whether any or all of those are wise policies, they just are not what most people would consider spending cuts. Yet that is how they will be advertised.

I have to admit, there will be some real, significant spending cuts—in defense. In fact, defense is the only program for which we would actually be spending less in 3 years than we are spending now.

Washington is the only place you can ask your boss for a $10 raise, get a $5 raise instead, and go home and say you got a $5 pay cut. That is exactly how our budget operates. That is how Congress has managed to spend more money on programs throughout this decade and tell the American people that there have been massive cuts.

Some are saying that at least it is better than a sequester. That is debatable. If a sequester took effect, the President could manage it in a way to keep, on the job, meat inspectors, FAA personnel, and other essential Federal employees.

Do I want to see a sequester? Of course not. It would be tremendously difficult and unfair to a lot of people, but it would not be the economic disaster that is being predicted for the purpose of scaring people into supporting this proposal.

Is there a solution? I think so.

Senator BURNS and I, and a few other Senators, have introduced a plan to force Congress to follow a simple, commonsense budget like every family in America must follow. It calls for no new taxes. It merely limits the amount that Congress can increase total Federal spending each year to 4 percent.

Under our plan, Congress could still increase spending by $45 to $50 billion each year—enough to cover Medicare, Social Security, Federal and military retirees, and other essential programs. Spending can even be increased in other programs—provided they are offset by savings in other areas.

The General Accounting Office and the Grace Commission have identified hundreds of billions of dollars in Federal waste. We could start making serious efforts to attack that waste and use the money saved to either increase some programs where necessary, or reduce the deficit even faster.

I said that our proposal is simple; but I am not saying that it will be easy. It is a drastic measure. It will require Congress to make difficult choices. No one will have to go hungry, or lose their home, or the retirement security they have earned, but Congress will be forced to cut waste, and to eliminate unnecessary spending.

Some people will not like it; the liberals who control Congress will hate it. But in the long run, our children, our grandchildren, and the country will be better off.

Mr. President, we are in the eighth year of the longest peacetime economic expansion in our history. Now we

must decide whether we shall pursue the path of economic growth or whether we will revert to the policies that brought us to the brink of national ruin.

Mr. President, I cannot in good faith support this latest budget agreement. With all due respect, the people will regard it for what it is—a turkey, flapping around Congress more than 5 weeks before Thanksgiving. I am obliged to vote against it because it is more of the same bad medicine that has made the economy shaky in the first place.

Mr. BOREN. Mr. President, our democracy has to be rebuilt by each succeeding generation. Each generation of Americans must care enough about our country to breathe new vitality into the institutions of Government formed by our Constitution and entrusted to our care. We who now occupy these seats in the Senate are the trustees of a great heritage passed on to us by the sacrifice and dedication of those who have come before us.

This is one of those moments which tests whether we are worthy to sit in the Senate and act as trustees for these great institutions. We are surrounded by desks once occupied by Webster and Clay and Calhoun, LaFollette and Taft, Truman and Vandenberg, Humphrey and Goldwater. Will we prove worthy of the high standards of political courage which they have set? Will we have the strength to look past the polling results and look to the history books?

We all know that the state of our economy is very fragile. If we demonstrate that we lack the will to truly deal with the budget deficit even when asked by the President and congressional leaders of both parties, we run the grave risk that the final vestiges of confidence in our economy will be destroyed. Such a loss of confidence could well do serious damage to our economy for decades to come and endanger the future for the next generation.

This budget resolution is not perfect, but the alternative could well be economic chaos for our country. The risk of defeating it is too great. We cannot in conscience play Russian roulette with America's future. Tonight we must act as trustees worthy of our great system. We must not fail the American people.

Mr. SANFORD. Mr. President, last year I said here on this Senate floor that I would not vote for another budget that did not have an honest deficit that more fairly reflects the annual increase in the national debt.

More than $1 trillion have been added to the debt under Gramm-Rudman. Almost half of that debt buildup was not included, never mentioned in the Gramm-Rudman deficit numbers. Our deficits have become moving targets and in large part hidden from the public, and this practice must stop.

Our $3.2 trillion debt will climb to $5 trillion under this 5-year budget package. And just as under Gramm-Rudman, the coverup will continue. If we indeed achieve $500 billion real deficit reduction, we will still add $1.4 trillion more to the national debt.

During fiscal year 1990 we paid in excess of $260 billion just in interest to pay for our massive debt. That interest that is not subject to sequestration, that must be paid, will soon exceed the total amount we pay for defense.

This budget resolution is the largest deficit reduction package we have attempted to achieve. But it fails to properly define the problem.

The problem is debt. It is not deficits we need to reduce, as such. It is the piling up of debt—secret debt—that we must stop and then reduce. The only way to do this is to reveal to the public the full debt increases each year, the true deficits. Debt increase is the deficit; let us call it that.

This budget resolution falls far short of this. Using the debt and deficit numbers included in this resolution, figures which are not realistic at all, there is a large difference in what the debt is estimated to increase each year and deficit numbers used. Using the figures in this resolution, using figures on the same page, we see that the cover up will continue. Our problem, our need, is a call for simple honesty in budgeting.

Mr. President, I think the estimates in this resolution are far too optimistic, and the deficits are very misleading. We can never achieve a balanced budget until we require an honest accounting of the Federal budget. Until we do this we will continue to coverup annual debt buildup that we cannot now afford. I cannot support the continuation of this practice.

Mr. KOHL. Mr. President, I rise tonight in support of the budget resolution. As I understand it, this package does one thing, and one thing only: It commits this Congress to writing solid deficit reduction proposals to achieve $40 billion in savings for this fiscal year and $500 billion over the next 5 years. That is a goal we all can and should support.

But I would like to make clear that my support for this goal will not extend to the reconciliation bill that implements the budget resolution if that bill does not do two basic things. First, and most importantly, it must add to, not subtract from, the progressivity of the Tax Code. Second, that bill must not ask for unreasonable sacrifice from the most vulnerable members of our society: the poor, the elderly, the ill, and the children. In other words, to keep my support, the reconciliation bill has got to be fair. Deficit reduction involves cutting benefits, stopping programs, and raising taxes; there is no way to make those actions painless. But there are ways to make them fair. In the days ahead, I will be doing everything I can to make sure that we do deficit reduction, and that we do it in a fair and progressive way.

I would also like to address the issue of the continuing resolution that we have passed tonight. There are three related issues which created the need for this stopgap funding measure: First, the House rejected the President's budget proposal so, second, the President decided to take revenge by refusing to fund the government in the hope that, third, we will be under pressure to accept the same kind of plan we rejected. Let me comment briefly on each of those points.

First, if the Senate had voted on the so-called bipartisan summit agreement on the budget, I would have voted "no." With all due respect to the people involved—with full recognition of the hard work they did, the good intentions they had—I simply did not think the plan was fair to middle-income Americans. But it should be clear to the President and to the American people that those negotiations were conducted in good faith. The Democratic and Republican congressional leadership worked hard to sell the agreement. So did the President. There was no doublecross, there was no political gamesmanship. They did what they promised to do. And the Congress did what it was obligated to do: It listened to the American people and exercised its independent judgment and rejected the agreement.

Second, while we rejected the budget agreement, we need not have rejected government; we did not need to close the enterprise down to make some rhetorical or political point. Some people say that by sustaining the veto we "kept the feet of Congress to the fire" and "generated the pressure needed to get an agreement." What nonsense, Mr. President. There is pressure on us now, and there is a giant fire ranging across the country. We don't need artificial, painful, and expensive posturing. The President's decision to veto our first CR simply forced us to spend a day in debate instead of negotiations, and it allowed us to spend a day in partisan bickering instead of cooperative efforts. Rejection of today's CR would have had the same counterproductive effects. So I'm glad that we have at least passed the continuing resolution and can get on with the real business before us.

Third, and finally, what is most depressing about all this is that we should have gotten a reasonable budget agreement some time ago. The budget resolution we are working on tonight is a step in the right direction. It will allow us to put together a package that increases taxes on upper

income people, reduces the Medicare cuts, eliminates the 2-cents-a-gallon tax on home heating oil, helps the unemployed, and brings defense down to at least the House level. And, if political reality demands it, there is even room to give the President some sort of capital gains cut, not because the economy needs it, but because it may be necessary to get a deal. It does not take a brain surgeon to figure out what we need to do. The kind of plan we need equalizes the burden of real deficit reduction, it would deserve the support of the people, and it can command the support of this Senator and 50 other Members of this body.

The President has characterized the continuing resolution we passed earlier this week, and perhaps the one we will pass tonight, as business as usual. Mr. President, it is anything but that.

Business as usual would have been to accept the budget summit package even though many of us had serious problems with its provisions and its overall progressivity. Business as usual would have been to blame the leadership and the President for forcing the package down our throats. Business as usual would have been to say this year that the summit package is the answer to all our deficit problems, and to say next year "Sorry, we're back for more." Business as usual would have been to pass the summit package by voice vote, and then to spend the rest of our lives giving speeches on how strongly we opposed it.

Today is not business as usual. The budget resolution before us allows us to put together a deficit reduction package that takes into account the hundreds of thousands of calls and letters our offices have received. We are on new ground; we are starting to put together a real deficit reduction package. We are trying to do so in a way that is fair. We're trying to do so in a way that puts the interests of the Nation before the interests of politics. That is not business as usual.

I believe strongly that we are moving in the right direction. And I believe that this body and our leaders are capable of putting together a package without the pain and waste of government shutdown or sequester. Those actions are kind of political games that demean this institution and the Presidency. We have serious work on the budget to do. We don't have time for the kind of political brinkmanship that truly represents business as usual. I urge my colleagues to support the budget resolution and support movement toward a serious and fair deficit reduction package.

"PAY-AS-YOU-GO" FOR ENTITLEMENTS

Mr. RIEGLE. Mr. President I would like to engage the distinguished chairman of the Budget Committee, Mr. SASSER, in a colloquy on new program funding in this 5-year budget resolution. As you know, I participate in a bi-committee, bipartisan Senate working group that is working on legislation to expand access to health care for all Americans and to control rising health care costs. The working group intends to develop a self-funded program to accomplish this. It is a national tragedy that millions of our citizens have no health care coverage. At the same time, health care costs are skyrocketing. This type of effort is absolutely critical for this country. I would like to inquire of the chairman as to whether the budget agreement will allow for this type of initiative.

Mr. SASSER. I thank the Senator from Michigan for his comments, and I want to say that I certainly agree with him that the lack of access to affordable health care for millions of American citizens is a critical national problem.

In answer to the question, I would say that the budget agreement does allow for new program funding on a pay-as-you-go basis. In other words, if there is to be a new entitlement program, that can be done as long as these new expenditures are paid for and do not increase the deficit.

Mr. RIEGLE. I thank the distinguished chairman. I would further inquire as to whether there is any requirement about the origin of the funding. For example, would it be possible to fund this or any program through savings in unrelated programs, or through new revenues or user fees?

Mr. SASSER. Let me respond to the Senator, that, yes, as we envision it, the new pay-as-you-go mechanism would allow for new mandatory spending initiatives if they were paid for by either reductions in other entitlement programs or revenue increases.

Mr. RIEGLE. Mr. President, I want to thank the chairman once again. His comments are appreciated. I would also like to commend him for his efforts to develop a budget package. He has served the Senate admirably under very difficult circumstances. I know there are many members of Congress in both bodies and on both sides of the aisle who believe that action must be taken to address this critical issue.

Mr. LAUTENBERG. Mr. President, I am going to support this conference report, though I do it with great reluctance.

I am opposed to the budget summit agreement that the President and congressional leaders developed last week. If this conference report simply adopted the proposals in that agreement, I would vote against it.

As I explained in my statement to the Senate on Friday, I was opposed to the budget summit agreement for four primary reasons: It was unfair to New Jersey, to working, middle-class Americans, to the elderly, and to the future of this country. It was unfair to New Jersey because the taxes it would have imposed would fall disproportionately on our State. It was unfair to the middle class because it proposes taxes that would have fallen disproportionately on them. It was unfair to the elderly because of its deep cuts in Medicare. And it was unfair to the future because it would have overspent on the Pentagon and underinvested in education, infrastructure, and other key domestic areas.

Today, though, we are not voting on the budget summit agreement, nor are we voting on the particular policies included in it. Today we are voting on a budget resolution. And a budget resolution is not a vehicle for changes in the law, or the enactment of specific policies. A budget resolution simply sets general outlines of a fiscal policy.

It specifies how much we will spend, but it does not say how we will spend it. It specifies how much we will have in revenues, but it does not say how those revenues are to be raised, or who will pay. It specifies how much we will save through changes in existing law. But it does not say which changes are to be made. In other words, Mr. President, there is much that this budget resolution does not do. But it does do several important things. First, it moves the congessional budget process forward. It sets out targets for overall deficit reduction goals, and it assigns committees particular goals for contributing to these overall goals. These are important steps.

But more importantly in the current context, I am hopeful that the conference report will prevent the Government from remaining closed down. As my colleagues know, the President has made adoption of a budget resolution a prerequisite to his signature of the continuing resolution. Although I find that position unnecessary and unwise, it is reality that we cannot ignore. It also would be wrong to ignore the problems that would be created by continued Government closure for all citizens and for our Nation's Federal employees, who are charged with administering essential programs.

Finally, Mr. President, adoption of the conference report offers the hope of real progress on our Nation's serious deficit problem. The general framework of this conference report is roughly similar to the earlier version defeated in the House, in that it would produce about $40 billion in deficit reduction in the first year, and $500 billion over 5 years. However, it is a very different document. Let me explain how.

The House resolution included assumptions of specific policies that committees were expected to approve in the reconciliation process. The Finance Committee was to produce $60 billion in Medicare cuts, several in-

creases in excise taxes, and a handful of new tax loopholes.

But this conference report takes out those specific recommendations. It does not mandate particular Medicare cuts. It does not mandate excise tax increases. It opens no new tax loopholes.

This conference report simply tells the Finance Committee to go out and find a certain amount of deficit reduction. It tells the committee that you can shape the details as you see fit. You do not have to hit Medicare as deeply as we said earlier. If you want to tax the richest of the rich, rather than hitting the middle class, you can. So long as you meet your overall goals, you are free to act as you like. That, Mr. President, is the essential function of a budget resolution in our system. It is nothing unusual.

But having said all this, I want to emphasize that just because I will support the conference report, I will not support the reconciliation bill if it fails the fairness test for New Jersey and its citizens.

In fact, if that reconciliation bill looks much like the budget summit agreement, I will vote against it. If it treats my State of New Jersey unfairly, I will vote against it. If it treats working, middle class Americans unfairly, I will vote against it. If it treats elderly Americans unfairly, I will vote against it, too.

I am not going to prejudge the reconciliation bill, though, since neither I nor anyone else can know what will be in it. I'm going to give the committees in this body a chance to do the right thing. If they succeed, I will vote for the reconciliation bill. But if they do not, I will oppose them and rise to defend the interests of my State, poor and middle class families, and the elderly.

Mr. BAUCUS. Mr. President, I rise in opposition to the budget resolution.

We have heard a great deal over the last few days of the need to sacrifice.

We have heard that we all must be prepared to tighten our belts to control the budget deficit.

Mr. President, I agree with those statements.

And I would be willing to bite the bullet and vote for a package that included an across-the-board freeze or even some deep cuts in programs close to my heart.

But this budget cuts far too deeply into Medicare and imposes an inequitable tax burden on middle and lower income Americans.

In addition, I am very concerned about the impact of gasoline tax increases and the highway funding formula on rural States like Montana.

But because time is short I will tonight focus on an issue that has not gotten sufficient attention in the budget debate—the drastic cuts in the farm program.

In the debate on the budget we have heard so many numbers thrown around that it is easy to lose perspective.

Supporters of every program claim that their ox is being unfairly gored.

FARM PROGRAM CUTS

But the reality is that the fastest declining major Federal program is the farm program.

In 4 short years, annual spending on the farm program has shrunk from $24 billion to $10.6 billion.

In other words, the farm program has already absorbed a cut of more than 60 percent.

But now we are faced with a budget resolution that cuts an additional $13 billion from the farm program over 5 years. That amounts to a 20-percent cut by 1995.

If this budget resolution passes, farm program spending by 1995 would be less than 50 percent of today's level.

And this includes only the nominal cuts. If inflation is considered, the 1995 farm program could be as little as 10 percent of the 1986 farm program.

Already annual farm program spending represents less than 1 percent of the Federal budget—about 2 percent of the cost of the savings and loan bailout.

IMPACT UPON RURAL AMERICA

But those numbers seem cold and impersonal.

And we have all heard stories of rich farmers feeding at the Government trough. Surely, those rich farmers can absorb some cuts.

But, Mr. President, those cases are by far the exception and not the rule.

The average farmer in America makes a litte more than $13,000 per year—a few thousand dollars above the poverty level.

A recent CBO study predicted that if farm program spending stayed at current levels, 500,000 farmers would be forced off of the land in the next 5 years.

In other words, we would lose one in every four farmers in America.

I have not been able to obtain a CBO analysis of the additional cuts in the budget.

But if we project linear increases it means that we could lose 750,000 to 1,000,000 farmers by 1995. One out of every two or three would be forced out of farming.

Mr. President, that would be nothing short of a disaster for farm States like my own.

When the farmers go out of business, the rural communities built around them disapepar.

Within a few years, we will see more and more ghost towns in Montana, South Dakota, North Dakota, and Nebraska as a result of these budget cuts.

THE FARM PROGRAM AS AN INVESTMENT

Mr. President, we must stop thinking of the farm program as a program only for farmers.

The fact is that anyone that eats has an interest in the farm program.

We already spend less than one fourth of what the Japanese and the Europeans pay for their farm programs.

And on top of that, consumer food costs in the United States are the lowest in the developed world.

The farm program has provided us with a wholesome, stable supply of food since the Great Depression.

And if we are willing to make the investment, it will go on supplying us with food for decades to come.

With the multibillion cuts being considered it is easy to lose sight of the farm program. But isn't a stable supply of food worth 1 percent of our budget?

Isn't a stable farm program worth at least as much as the space program?

Isn't it worth one-thirtieth of the amount we spend on defense to secure a supply of food?

And isn't it worth a few billion dollars to keep rural America alive?

Mr. President, I believe it is.

And I plan to vote against this budget. I hope to work with my colleagues to devise a budget that is fairer to American agriculture.

Mr. LEVIN. Mr. President, the budget resolution before us tonight is silent on whose taxes are going to be raised and by how much. While this approach is not specifically unfair to middle-income Americans, it does not offer any assurance that middle-income Americans will not be asked to carry tons of deficit reduction while those making over $200,000 a year don't even work up a sweat. We risk, by passing this resolution in its current ambiguity, adding momentum to a legislative vehicle which could come roaring back at us in a couple of weeks loaded with many of the objectionable features of the budget summit agreement.

In addition, this budget resolution does not correct the flaw in the budget summit agreement relating to the baking in for 3 years of the numbers for defense and domestic discretionary spending. For instance, this budget resolution makes it virtually impossible for us for 3 years to shift resources from the relatively high defense budgets, to wit, $288.9 billion, $291.6 billion, and $291.8 billion in budget authority for fiscal years 1991, 1992, and 1993 respectively, to meet other growing challenges of interest to all Americans in areas such as education, the environment, and the war on drugs. I recognize that any credible deficit reduction plan must include restraint on spending. However, it is unnecessary and unwise for us to transform this vehicle

for deficit reduction into a vehicle for establishing defense and nondefense priorities for the next 3 years when the world is changing so rapidly.

Mr. President, in voting against this budget resolution, I am not saying that I will not give a full review to the reconciliation legislation which will be reported out of committee pursuant to it. This Nation must have a real, credible reduction in the deficit. I am, however, saying that in order for me to consider supporting that legislation it must meet the test of achieving credible deficit reduction in a manner consistent with fundamental fairness to middle-income Americans and their long-term interests.

Mr. BRADLEY. Mr. President, I will vote for the budget resolution to avoid Government from shutting down and hurting a lot of innocent people. This is not a final vote on the budget or its components. Unlike the agreement from the budget summit, this is a vote only to move the process to the committees. I will base a final budget vote on what comes out of the committees. I will fight in the Finance Committee to make sure that middle-income taxpayers will not have their taxes increased while the wealthy get more tax breaks. This resolution raises no specific taxes. I will not hesitate to vote against a final bill that increases taxes on middle income taxpayers. I will also fight to protect senior citizens from dramatic increases in health care costs.

Finally, I still believe that the defense budget is too high and I will continue to push for deeper cuts in defense. We cannot ask senior citizens to reach ever deeper into their pockets for medical care while the Pentagon squanders scarce resources on obsolete missions and superfluous forces.

Mr. DURENBERGER. Mr. President, 4 nights ago, I said on this floor that the debate over this budget package had gotten very noisy and very complicated. In the aftermath of the vote of the House of Representatives, it has gotten noisier and more complex by several orders of magnitude. I hope the lessons of the last 5 days are not lost on all of us.

The budget summit was an unprecedented compromise among Democrats and Republicans, leaders of the House and Senate, and the President of the United States. And the rejection of that agreement by majorities in both parties in the House was likewise unprecedented. H.L. Mencken cynically observed that democracy is the art of running the zoo from the monkey cage. By abandoning our leadership, we have partially proved his observation. We should be thankful that we are close to restoring order tonight. The American people are understandably upset and frankly fed up with it. There is no need for further delay or posturing; let's do our duty tonight.

Mr. President, this all boils down to one simple, vital question. What is the most important obligation of this Government at this time? My answer is: reduce the fiscal deficit. Every other obligation, for once, has to take a back seat to that.

Our recent history, over the last dozen years, has been exactly the opposite. Everything, at one time or another has taken precedence to the deficit. Cutting taxes. The military buildup. Farm programs. AIDS. The drug wars. Foreign military aid. Child care. And so on. In the process, the American people have lost a war of attrition against Federal debt.

This package represents a day of reckoning for all of that. Finally, we have a chance to make a decision, as a united government, to be responsible. Having participated in 1985 in a failed attempt to do just that, and having seen the bitter consequence of inaction, I am praying the Congress will find the guts to do the right thing this week.

Mr. President, it is clear to me from the calls I have received this past week from my fellow Minnesotans that we have failed to convince people of the seriousness of the problem of the deficit. We have failed to communicate that a problem of this seriousness demands solutions of the magnitude contained in the budget summit agreement. We cannot ever seem to agree on the nature and impact of the deficit, that it is not just a creation of Congress, or Washington's problem.

I say to the thousands of Minnesotans who have taken the time to write or call that I am grateful to each one of them. Many more of them called to oppose the summit agreement than to support it. Many of them expressed fear, and most were angry. Some indicated their intention to withhold their vote from me or anyone who supported this agreement.

So my vote tonight will not satisfy many. Possibly, my actions in the Finance Committee over the rest of this process may be seen more positively. Most of the details of this package will be settled there.

The biggest area of concern for Minnesotans and for me is the Medicare part of this budget. There has been great concern over proposed increases in premiums. That is not a problem unique to Medicare. People of all ages have expressed fear over the sharp rise in the cost of health care. Medicare has been insulated to a large degree from some of the pain all insurance holders have felt, and it will continue to be. We will work for the soundest, fairest financing package we can.

We will also deal with the proposed tax on home heating oil which has an adverse and disproportionate impact on Minnesotans. It is my hope that we can defeat it.

Edmund Burke said that a Representative owes his constituents both his industry and his judgment. As I exercise my best judgment tonight, in a way that many of you will disagree with, all I can say is I value your input but believe the greatest good is served in another way.

Mr. President, several years ago, I used to tell a joke that went like this: Question: Why were there so many heros at the Alamo? Answer: Because there was no back door. Since this agreement was announced on Sunday, many of our colleagues have been looking for a back door of some kind. My hope and my conclusion, Mr. President, is that there is none.

Mr. President, I was ready to vote for the package the House defeated last week. The package before us is only cosmetically different from what was defeated 4 days ago. It makes explicit what most of us must have assumed anyway: that some flexibility was necessary in the Finance and Ways and Means Committees to hit revenue and savings targets in the way that made the most policy sense. As a member of the Finance Committee, I obviously welcome that flexibility. For those colleagues who fear putting that kind power in the committee's hands, you need only look at the recent history of our committee and our record of producing moderate, consensus bills. For House Members of the minority, who have not always seen such behavior from the Ways and Means Committee, I can assure them that we have no intention of bowing to the House.

Mr. President, before we label this a "bad" agreement, as many have done, we must ask compared to what?

Is the sequester the right policy for America?

Is it balanced? Is it fair? Of course not.

Gramm-Rudman-Hollings has done its job. It has raised the cost of inaction to an intolerable level. To put it another way, it has cut through the political fog to expose the true cost of inaction by providing a glimpse of the fiscal chaos we will reap if we don't make changes.

Well what about the other alternatives? It would probably be instructive to have Members bring their own individual plans to the floor here and put them in a pile. It would be a kind of budgetary Tower of Babel. We don't lack for ideas. What we need are majorities to pass them and carry them out.

The deficit is not an abstraction or an illusion. It is an obligation incurred on behalf of American taxpayers present and future. It jeopardizes our economy and it compromises our sovereignty as a nation. Our inability to say no got us into this, and saying yes to every interest group with a problem

with this package is not going to get us out of it.

Two of the finest speeches I have ever heard were made on the floor of the House last week just before the House vote. The first was by BILL ARCHER, ranking member of the Ways and Means Committee. He finished with these simple, eloquent words he described his days after he leaves the Congress: "I will not sit and tell my grandchildren that I failed to make the tough decision to lift this debt from their shoulders."

And my dear friend and colleague from Minnesota, BILL FRENZEL, who is one of the finest men to ever serve the Congress, said this:

Our test is sterner than any we have faced since I have come to Congress. And for us "good news" people, who do not like to lay on taxes, and who hate to cut expenditures, it is going to be particularly difficult. But remember, we can begin down that path to fiscal sobriety. And for all of you that I have importuned over the years, that I have harangued and pleaded and begged to reduce spending, for me personally, there could not be any finer monument than the passage of this budget resolution.

Their high ideals will be fulfilled in this vote tonight. I ask unanimous consent that their full statements appear at the end of my remarks.

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

(See exhibit 1.)

Mr. DURENBERGER. Mr. President, I have been around this city for 12 years now. I think the thing that disturbs me most about how we operate, and how I operate, is that we have the ability to do microscopic analysis of parts of a problem, and at the same time be totally blind to the whole.

Yes, there is unfairness in elements of this package. I concede that. But how important are those concerns up against the catastrophic and wanton unfairness of the deficit itself? This generation spending hundreds of billions of dollars it does not have, and passing the bill to our children. Can anything be more unfair or more in need of our attention than that?

Mr. President, we do not have a range of options to choose from. We cannot go back to the drawing board and remake the compromise to make it more to our liking. There are only two real alternatives: the sequester or the summit agreement. A vote against this agreement is a vote for the sequester, or a decision to do nothing at all.

The deficit is either the most important thing, or it is not. My vote says it is.

EXHIBIT 1

[From the Congressional Record, Oct. 4, 1990]

Mr. ARCHER. Mr. Speaker, when I first saw this budget agreement on Monday, all of the objectionable features reached out to me, and, to say the least, I was disappointed.

But I learned many years ago, that before you make a hasty decision, it is far better to count to a legislative 10, and I went home and I counseled with my wife, and I shared my concerns. And as the night wore on, I realized that I could not get hung up on individual pieces in this agreement, but that it was far more important to look at the whole and what impact it would have on our country and on generations to come. By morning, I realized that this was the best we could do.

I cannot stand here and tell you that if you fail to vote for this package there will be a recession, or that if you do vote for this package there will be a recession. No economist knows, but I can tell the Members this country is in desperate need of a fiscal fix.

If Churchill were here today, he might possibly say that this is the worst possible budget agreement, until you consider all of the other realistic alternatives. Sequestration clearly is not a realistic alternative, perhaps for a few days, but those who accept that, and seem to wish it, will come quickly back to this body in a short time, demanding that many parts of it be lifted.

The Congress itself has never before in its history been able to produce this type of package. Individual Members working together through committees, through the budget process have been unable to do so, and after months of deliberation this year, I am convinced this is the best that we can do.

Neither Democrats by themselves nor Republicans with the President, can pass a budget package. It can only be done by bipartisan effort.

In all of the years that I have been on the Committee on Ways and Means, I have only voted for one tax bill. That was in 1981, which was a tax reduction. That was easy.

And it is now time to pay the bills. We have run up consecutive deficits for the last 19 years, and I say to my Democrat friends, not just during the last decade. The last balanced budget was in 1971. We are leaving these massive deficits as a legacy to our children and to our grandchildren, and I do not serve in Congress to be a party in bestowing such a burdensome legacy.

Socrates 400 years before Christ, said that when the masses of the people find they can vote themselves prosperity from the public treasury, democracy is no longer possible.

This is a historic test for our republic, our democracy. Democracies easily handle the easy decisions, but stumble on the tough ones.

Today is that watershed moment in our country's history where we will look back and say we did the right thing, as tough as it was, and as objectionable as some of the features of this package are, because, yes, our children and their children deserve it.

Could I have devised a better budget? Certainly. Give me 217 votes. But would it pass without giving me 217 votes? And the answer is no.

I feel that many Members on both sides want an easy package. There is no such thing as deficit reduction of $500 billion that is a happy package for anyone.

When I first ran for Congress, Barry Goldwater came to my district, and I must confess he was one of my ideals in politics. There was a rumor that he would not run again, and I asked him, "Are you going to run again?" He looked at me and said, "Bill, I have thought about it, and I want to retire. I feel that I have earned it. I want my privacy and my private life, but I will not one day sit with my grandchildren on my knee and tell them that I did not do everything that I could to make a better future for them." He ran again.

And I will not sit and tell my grandchildren that I failed to make the tough decision when I had a chance to lift this debt from their shoulders.

Mr. FRENZEL. Mr. Speaker, tonight we have been treated to a rare display. I do not know if the forensics are better than that which we have enjoyed in the past, but certainly at least from the summiteers you have seen expressions of sincerity which I think are hard to match, at least in my career in the Congress.

We have heard the gentleman from California [Mr. PANETTA] and the gentleman from Illinois [Mr. ROSTENKOWSKI] and the gentleman from Illinois [Mr. MICHEL] and the gentleman from Missouri [Mr. GEPHARDT] tell you why they think this is what we need to do tonight.

Mr. Speaker, I want to stand here and agree with each of them, that they and we have done the best that we can do at this point, and what remains for the House is to push this matter through by passing this budget resolution, and letting the committees of jurisdiction begin work on reconciliation.

All of those speakers spoke a little bit about President Bush, too. I have heard many of you say it will be painful to vote for this bill. How painful was it for President Bush to accept the fact that there would be substantial new taxes? How painful was it for him to have come to ask each and every one of us personally if we could give him his vote? He, who has worked so hard and suffered so much for us. And I say this particularly to the Republicans, for we are the divided Government. We are the minority which can get rolled at any time by the majority, and our only defense is our President and our ability to sustain a veto every now and then.

Here is one time when he and we jointly are asking Members to stand up with us and give this country a chance to get its feet back on the path toward fiscal sobriety. Over the past two decades we, all of us, have managed to become the world's largest debtor nation. The U.S. Congress thankfully somehow has made us the world champs in one respect: We owe more money than anybody.

This may not be the best resolution in town, but I guarantee you, it is the only resolution in town.

And as BOB MICHEL correctly pointed out, each of us could do better. I think I could get maybe 80 votes for mine, which is much better than that. I doubt many of you could get that many.

This happens to be a good resolution because it saves $500 billion and places the country's feet on the path toward that desired fiscal sobriety.

It is enforceable. Will it all be enforced? No. Will we save all of the $500 billion? No. We will have some slippage. We always do. But with the enforcement in this package and the 5-year reconciliation, we have the best chance that we have ever had to actually make the savings that we claim we are going to have.

We can change all of this bad record tonight, or we can at least begin changing it. This package will take us to a unified budget surplus before fiscal year 1994. By fiscal year 1995 it will have taken our spending back to only 18½ percent of GNP, our rough average for the past two decades, and

5 percent less than we expect to spend in fiscal year 1991, the fiscal year approaching.

That is a pretty good record, a monumental achievement, I believe. And Alan Greenspan says it passes the credit market test, and so does his predecessor, Paul Volcker, and so do Martin Feldstein, Ronald Reagan's CEA, and so does Jim Lynn, who was Jerry Ford's budget man, and Charles Schultz, who was Jimmy Carter's Director of the Budget, and Herb Stein, who was the Chairman of the Council of Economic Advisers for President Nixon. All these men say this fits the bill, that it passes the test.

Now the question is are we going to pass the test? Are we going to have the courage to stand back and to go against a few phone calls and a few letters we have got from people who want to keep getting the same benefits that they have been getting over the years?

I have often said to the Republicans that I see us all as a bunch of cake eaters. We are afraid to lay on new taxes. We think that is naughty. We do not want to cut any spending. We do not want to deny any of our constituents anything.

We will tonight pass what I call the cake eater test if we can pass this budget resolution. We will prove that we can eat a little bread and maybe some of us, certainly myself, will have to eat a little crow, because none of us is going to like this budget resolution. But as I said before, it's all we got.

Our test is sterner than any we have faced since I have come to Congress. And for us good news people who do not like to lay on taxes, and who hate to cut expenditures, it is going to be particularly difficult.

But remember, we can begin moving down that path to fiscal sobriety. And for all of those of you that I have importuned over the years, that I have harangued and pleaded and begged to reduce spending, for me personally there could not be any finer monument than the passage of this budget resolution.

Mr. PELL. Mr. President, I intend to vote against the budget resolution presented to the Senate today.

Five days ago, I announed that I opposed the budget summit agreement and would vote against the budget resolution needed to carry out that agreement. At that time, I said the budget agreement was unfair in placing the heaviest burden of deficit reduction on the elderly, and the heaviest burden of new taxes on middle and lower income families and individuals.

I objected strongly to taxing the necessities of life such as home heating oil, and to eliminating one of the few programs that help first-time home buyers of modest means to buy a home.

Fortunately that budget resolution was rejected—not only by me but by the American people and by the Congress.

We have now been presented with a revised budget resolution. And it is frankly an improvement over the original resolution. But the resolution still leaves open the possibility, and indeed the probability, that the final result will still be large cost increases for the elderly in the Medicare Program, and heavy increases in excise taxes that hit hardest at the middle and lower income families and individuals.

The resolution leaves open the possibility that a tax ultimately will be imposed on home heating oil.

In addition, the revised resolution contains inadequate reductions in defense spending, and actually requires smaller spending cuts in agricultural support programs than did the original budget resolution.

For all of these reasons I will vote against this budget resolution. I emphasize at the same time that I do not believe the Federal Government should be brought to a standstill while the Congress and the administration seek a better solution to the budget problems. I believe the President's veto on Saturday or the continuing resolution permitting the Government to continue its operations was an error and I regret that the House of Representatives failed by a narrow margin to override that veto.

Disruption of essential Government services contributes nothing to resolving budget disagreements. Such disruptions impose penalties on the American people for budget and political disagreements that are not their fault. Accordingly, I will vote in favor of a continuing resolution to permit continued operation of the government while the Congress and the administration work out a good budget agreement.

Mr. BIDEN. Mr. President, I will vote for the budget resolution because it moves the budget process forward. I did not support the previous plan, and I have reservations about this one, but it appears the negotiators moved much of the burden of deficit reduction off the elderly Medicare beneficiaries and on to those in very high income brackets.

This is not the final agreement—that will come in 2 weeks. But this vote will move the process forward. I will look for further improvement before voting for the final package.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I had intended to give my closing remarks and then Senator DOLE, but the distinguished Senator, Mr. THURMOND, wanted 2 minutes, so I will yield 2 minutes to him. The only remaining speakers on our side are Senator DOLE and myself.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the budget resolution. It is not what I want. It is probably not exactly what any person wants, but we must resolve this matter and bring the first step in the budget process to a close.

The American people are wondering what in the world is wrong with the Congress. We have been working on a budget for weeks and months. Now is the time for action. The American people want action. We must support this resolution.

Earlier, remarks were made about the senior Senator from Georgia, the able chairman of the Armed Services Committee. I want to commend him for the sound position he has taken with regard to defense spending. This position will protect the security of this Nation. We have turmoil all over the world. We cannot afford to cut defense any more than he is advocating. In his behalf, I want to say I stand with him, and I hope the Senate will.

Mr. President, I hope we will stand together on this budget resolution, I commend the able Republican leader, the Senator from New Mexico, the able ranking member on the Budget Committee, the other Members who have been involved, for their hard work. I ask my colleagues to support this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself 10 minutes, and then our only remaining speaker is Senator DOLE.

Mr. President, I see my friend the distinguished senior Senator from Georgia on the floor. He raised some issues about interest rates. I only have 10 minutes, so let me say to my friend I will not use my time to explain how I see the interest rates, but I believe the assumptions in the budget agreement are rational. In due course I will have printed in the RECORD why I believe they are not out of line with reality for a budget resolution.

Having said that, let me suggest that I want to break my remarks up in three parts. First, I want to talk about what we are doing and why we are doing it, and, second, I want to discuss what is going to happen if the committees who are supposed to put this together do not do their job.

Let me start by saying the issue before us is whether or not the U.S. Senate and the U.S. House in the next 15 or 20 days will have the courage to change programs of the Federal Government sufficient to make the savings that their respective committees have been directed to do in this budget resolution. That is hard work. I can just say to the chairman and ranking member of Governmental Affairs Committee, and to the chairman and ranking member of Finance, "You had better get ready. You have about 4 or 5 days, not 40 or 50 days, about 4 or 5 days to put in place in your committee the savings that are mandated in this budget resolution." I am going to give you a rule of thumb. If no one is complaining and you are not hearing from the American people and from lobbyists, you are not doing your job. Because what we have instructed in this budget resolution cannot be done without pain.

I am not going to bother to talk about who and how, but I tell you, there are not very many ways to achieve the savings that are better than those that the summit arrived at. You may find some other savings proposals. But if you really are going to do the job, you are going to come out pretty close to what the summiteers arrived at after weeks and weeks of discussion and meetings.

So I hope you will have in front of you what was agreed to by the budget summit. There are many who are saying they are upset, and we should never have a budget summit again.

Well, if we do this right, we will not need to do it again. But I tell you, I do not apologize for the summit agreement because I guarantee you, for all the pious remarks about doing it another way and all the demands that we should wait for our committees, I guarantee you if you did not have that summit, you would not be here tonight with a package that recommends a $500 billion reduction. I bet my life on it. I mean, who would do it? If you did not have Gramm-Rudman, which everyone criticizes, you would not even have had the budget meetings, and you would not have had this kind of deficit reduction until the United States of America went broke. That is about the time you would have it.

So why do we not forget about the budget summit? We went out to Andrews Air Force base and learned a lot. I heard House Members who were supposed to know so much about Government saying, "I never knew it was so tough to cut the deficit of the United States." It is nice and easy and pious to say "freeze." But, what about Social Security? What about Medicare? These Senators that run around and say, "Everything is growing too much, claiming it is Senator BYRD's Appropriations Committee." The entitlements are going up 14 to 15 percent. Some are going up 17. How come? Senator BYRD cannot change those. We have to change them. And some of those have to be changed through a budget reconciliation bill. If not, we are not going any-where. So that is my first point.

My second point is we would not be doing this if we were not worried about our country. And it just stands to reason that sooner or later, you have to cut the deficit. You might have gone on another year, but how many more? Borrowing the kind of money we are borrowing from all over the world raises interest rates for those who want to buy houses, and for Americans who want to build a business. With interest rates outlandishly high, we cannot grow.

We are pursuing this deficit reduction package so that we can grow, so that we can leave something for our children, and so that working men and women can have some hope that the private sector of America has a chance to continue to grow. We did not do it because it is neat and because it is nice to be on the summit. We did it because the country demands it. I do not mean demands it in the sense that the country is standing out there ready to whip us. A great country demands the best of its leaders. Anyone that does not want to vote for this resolution may have all kinds of legitimate reasons.

Let me tell you, the most important thing is my third point. This resolution is meaningless if the committees of this Senate do not comply with the reconciliation directives. And tonight the Senator from New Mexico is going to vote for this budget and recommends anyone that wants to get the deficit down to vote for it. Those who do not, I hope we get a good enough reconciliation bill to get your vote for it.

Let me say that this budget resolution is meaningless if the committees of this U.S. Senate find ways to use smoke and mirrors to get out of their responsibility. As one summiteer, I am going to recommend to our leader that if they do that, we are going to bring an amendment here to the floor and fix it.

So, I guess I am saying, Mr. Chairman and ranking members the good times are gone. The times when you can fool around with all those numbers in your reconciliation bills, when you call on those smart guys and say, "Hey, did you used to work on the Budget Committee?" "Yes." "Do you know how to fix this so I do not have to do anything hard?" They say, "Sure do." Well, that is not going to work. At least I hope it is not going to work.

The last part is, we must change the budget process to enforce what we have committed to here tonight. For those who say defense has not been cut, all of the discretionary savings in this proposal are from defense—$180 billion. For those who say discretionary is coming down, yes, it is, all because of defense. If we did not happen to have defense coming down at this particular moment in history, we could not do this. Where would we get $180 billion? We got it solely from defense.

We do have caps on the discretionary accounts for 3 years, defense, domestic and foreign. We have a new enforcement process that we agreed upon that will enforce the caps, provide for an extension of Gramm-Rudman-Hollings, and do some other things that will help the appropriation process not bear the full burden of Gramm-Rudman-Hollings. Those are all written up.

I, for one, want to say to those who asked the Senator from New Mexico yesterday and the day before to support this budget, that I am supporting it. But I guarantee you that I am not going to support a reconciliation bill that does not produce the savings in the budget summit agreement. I am not going to support a reconciliation bill that does not have the reforms in the budget process to show the American people, who are going to take some pain, that the savings are real.

For those who say this is unbalanced, I want to give you three numbers. I think it is balanced. Listen to how balanced it is. Thirty-six percent of the savings in this package come from discretionary accounts. For those who said before you tax, cut spending, well, there is 36 percent. Another 22 percent comes from mandatory and entitlements. That is domestic spending, not military. It is not just appropriations; it includes mandatory and entitlement spending. If my arithmetic is right, 36 and 22 is 58. Fifty-eight percent is from reducing expenditures, if you pass the reforms that make it happen. And 30 percent taxes.

I think that is a pretty fair package. To repeat, 36 percent cuts in discretionary; 22 percent from entitlements; 30 percent from taxes. I say tonight, I have done my job, and I enjoyed it. I am not embarrassed or abashed about having been a summiteer. You would not be here but for the summit, and I was pleased to be part of it.

Now let us see if the members of the committees, all of whom want deficit reduction, many of them came to the floor and told us how to do it; let us see if they get it in the next 5 or 6 days.

Mr. President, I ask unanimous consent that reasonableness of interest rates in the budget agreement be printed in the RECORD at this point.

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

INTEREST RATE ASSUMPTIONS IN THE BUDGET AGREEMENT

Real interest rates are what matter for financing the budget deficit.

The administration projects real interest rates to be approximately the same in 1991 as this year and slightly lower in 1992.

And real interest rates are projected to decline only modestly in later years, back to more normal historical levels.

These are modest improvements if we carry out real sustained deficit reduction.

Chairman Greenspan has confirmed that implementation of a budget agreement is a necessary condition for lower interest rates and continued economic growth.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I see the distinguished Senator from West Virginia on the floor. Does he wish some time?

Mr. BYRD. I do not wish time, except to thank the distinguished Senator from Tennessee [Mr. SASSER] for the excellent work that he has done

throughout the long and difficult days at the so-called summit.

Let me, for one, say that I do not intend to ever attend another summit. I have had my belly full of summits. But I want to thank him. I attended the summit, and we summiteers have undergone and experienced a great deal of castigation, calumny, and opprobrium, but we did our best. I think we did a pretty good job.

I want to thank the Senator from Tennessee [Mr. SASSER]. I want to thank Mr. DOMENICI, the ranking member of the Budget Committee. I also wish to thank Mr. BENTSEN, the chairman of the Finance Committee, and Mr. ROSTENKOWSKI, his counterpart in Ways and Means. I want to express my gratitude to Mr. HATFIELD, my own counterpart on appropriations, and I also express appreciation to the majority leader and the minority leader for the work that they did at the summit.

Mr. DOLE, I think, attended all of the sessions there, and whatever success may have been achieved can be attributed to the dedication of the Members of the Senate and House who attended. But I have had enough of summits, as far as I am concerned. I think this resolution is imperative. I did not intend to speak, because I think everybody has their minds made up as to how they are going to vote.

I think it is imperative, however, that we adopt this resolution. It takes us to the next phase in the budget process. We could not bring out a reconciliation measure unless this resolution is passed instructing the committees as to what they must do in regard to raising revenues and reducing outlays and so on.

It is a far more serious matter than the American people believe. This country is operating right now under a $1.434 trillion budget. If anyone is interested in knowing how much a trillion dollars is, at $1 per second, it would take 32,000 years to count a trillion dollars. The national debt is $3.189 trillion. How much time is left? I might take it.

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes 25 seconds.

Mr. BYRD. It takes me that long to get warmed up.

In 1981, domestic discretionary spending was $157 billion.

The budget at that time was $678 billion. Domestic discretionary spending constituted 23 percent of the total budget. Today, fiscal year 1991, we are looking at that budget; domestic discretionary spending is $171 billion. It has increased $14 billion since 1981, from $157 to $171 billion, while the total budget has increased from $678 billion in 1981 to $1.434 trillion. In other words, the budget has increased $756 billion over what it was in 1981. Now domestic discretionary spending constitutes 11.9 percent of the total budget; whereas 10 years ago it constituted twice that much, 23 percent.

We do have a third deficit, the investment deficit, the infrastructure deficit in this country. Our roads are falling in. The bridges are crumbling and falling down. We need waste water treatment facilities and water quality facilities. We need to improve our rivers, our harbors, our airways, our railways, and our mass transit. And we are not doing it.

That is why I am fighting to increase domestic discretionary spending, and we are doing it. That is what we agreed on at the summit.

To those who wish to further cut domestic discretionary spending, I say we have had enough and it is time we invested in our country. Any company that does not invest in its plant, equipment, and its people is going to fail. We have not been investing in our plants and equipment. I have just described how our domestic discretionary spending has been going down in relation to the entire budget and in relation to GNP.

A country that does not invest in its people, that does not train them, that does not educate them, that does not invest in its plant and equipment, its roads, its bridges, its railways, its waterways, is going to fail. It is not going to be able to compete with other countries.

Mr. President, I will not belabor the Senate further. I urge the Senate to approve this resolution so that we can go on to the next step and develop a reconciliation bill and get on with our efforts to deal with this terrible budget deficit, $3 trillion. It is a terrible debt, $3.189 trillion.

I thank the Senate and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, I understand that many in this chamber will vote for this second budget resolution as did many of our colleagues in the House. They will vote for this measure in order to let the congressional process work, in the hope of a final Reconciliation Bill that will reduce the deficit in a manner that reflects their values and priorities. They will also vote for it in the hope that the President will agree to sign a short-term continuing resolution to keep the Government in business. I support a short-term continuing resolution because it would be absurd to shut the Government down: It would produce chaos and be unfair to American taxpayers.

However, while I understand the thinking of those who will vote for this second budget resolution, I do not share that thinking and will vote against this second budget resolution.

Why? Because this budget resolution establishes parameters for tax increases, entitlement reductions, and defense spending that are inconsistent with my values and priorities and those of the people I represent. Operating within these constraints, I find it very hard to imagine that the committees can produce a budget I can support. I hope I am wrong if this measure passes, and that fair package that reflects my priorities will come before the Senate. If it does not, I will try to change it and if that fails, oppose the reconciliation bill as well. I am also highly skeptical of the basic economic assumptions on which this budget resolution is based. With this budget resolution, as with the last one, the key assumptions behind the budget projections are wildly optimistic. This budget assumes, for example, that interest rates will drop below 5 percent in just a few years. As a result of assumptions like this, the massive reductions that are projected in the out years are phoney. With most of the $500 billion savings coming in the out years and driven by inflated assumptions, the package as a whole is seriously flawed.

Some say we have no option other than to pass this budget resolution. They maintain that as much as they disagree with it that it is the best that we can achieve and develop a reconciliation bill the President will sign. I reject that argument. I believe Congress should pass the budget that best reflects the majority of this body. If this is it, I reject it. If we can do better, let's do so. If we pass a better budget and reflect that in a better budget resolution, and the President vetoes it, then we, and more importantly, the American people, will know why we are forced to enact a bad budget deal.

So, Mr. President, I believe it would be wiser to pursue another option.

And that is to reject this budget resolution and pass a short-term continuing resolution. This would keep the Government operating for a few days, while we develop and consider a budget resolution that more fairly distributes the unfortunate but necessary pain of deficit reduction. If we pass this budget resolution I fear we have stacked the deck in favor of more taxes, and probably unfair ones; more cuts in programs people need; excessive spending on unnecessary weapons systems; and agribusiness subsidies and tax giveaways to oil and gas companies and the superrich.

Mr. President, the original summit agreement produced a budget resolution which was unacceptable to a majority in both parties in the House. It was rejected because it did not reflect the wishes of the American people. It was not fair to the middle class and to lower income Americans. It was not fair to the elderly with excessive cuts in Medicare. It was not fair to Massachusetts people and would not have

been helpful to an economy already in recession in my state and teetering on the brink of recession nationwide.

Today we are considering a budget resolution that in some ways is an improvement on the earlier proposal. As I understand it, this second agreement would reduce the cut in Medicare, very slightly increase the cut in defense, possibly eliminate the 2-cent tax on heating oil, and probably modify the business tax incentive package. It would also leave the committees of Congress with a great deal more latitude in developing a bipartisan legislative package to implement the broad policies outlined in the second Budget Agreement.

However, I am still gravely concerned with the parameters within which the development of specific policies will occur. I am concerned that the budget resolution could result in a reconciliation bill that remains regressive and unfair to working people. I am concerned that the Reconciliation measure may force too great a deficit reduction on the elderly, our veterans, and society's most vulnerable people. I am concerned that the defense spending figure is too high, particularly with the exclusion of the costs of Desert Shield. And, I am concerned that the reconciliation bill may not be fair to Massachusetts or consistent with restoring economic growth. I can understand the possibility of producing a better reconciliation bill under this agreement than under its predecessor. And I hope that would be the case. But I see insufficient evidence that that would be the case. And I must vote on the evidence and not on some vague hope, even if that hope is widely shared.

Mr. President, I believe that it is also necessary that some Democratic Senators remain uncommitted to this budget agreement in order that we act as a counter weight to Republican opponents of the budget resolution. It is important that Democratic Senators send a message to the committees working out the details of the reconciliation package. It is critical that they recognize that a passable bill must be one that responds to Democratic as well as Republican concerns. I do not want the lopsided vote in the House to suggest to the committees that they must lean to the rich and the right during their deliberations. Passage of a reconciliation bill is essential. But we must not lose track of the fact that this reconciliation bill is more important than any we have passed before.

This reconciliation bill will lock in the fiscal priorities for this nation for the next five years. It is imperative that committee members understand that they must not only overcome Republican objections if it is to pass, but also concerns shared by many Democratic members, including many of those who will vote for this resolution.

As I said before, I am not convinced that the budget agreement reflects adequate attention to savings that I believe can be made in many areas, particularly in wasteful and unnecessary weapons systems, excessive subsidies to wealthy farmers, and in closing tax loopholes to the oil and gas industry and to the wealthiest of Americans.

I am willing to make the tough choices because they must finally be made. But I am not willing to make the wrong choices for the people of Massachusetts. And I am not afraid that the tax and spending configuration on this budget resolution will produce that result. I am unwilling to start down this slippery slope. For once we begin to descend, reversing ourselves will be difficult if not impossible.

Therefore, I intend to vote against the revised budget agreement: First, in the hope that a better agreement can quickly be reached; second, to remind committee members that some Democratic Senators are watching their work carefully and will oppose a final reconciliation bill that is unfair to working people if the second budget resolution is enacted.

Whether we pass this budget resolution or not, I supported the short-term continuing resolution that delays sequestration for the duration of the continuing resolution. It is absurd that we would continue to strangle the operation of the Federal Government until our people turn blue. We must keep the critical functions of Government operating, while we work to forge a better budget, a budget and ultimately a reconciliation bill, that truly reflects the values, priorities, and sense of fundamental fairness of the American people.

Mr. SASSER. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. All time allocated to the Senator from Tennessee has expired.

Mr. DOMENICI. How much time remains on our side?

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes and 22 seconds.

Mr. DOMENICI. Mr. President, I have one speaker remaining, the Republican leader. I ask unanimous consent that he have 10 minutes.

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

The Chair recognizes the Senate Republican leader.

Mr. DOLE. Mr. President, first of all, I want to thank President Bush for starting this process several months ago. It has been a bipartisan process. We have had our ups and downs. We have had our problems, and we had the summit and we have been out at Andrews Air Force Base. A lot of us were frustrated, and some of us are still frustrated. Some of us want to reduce the deficit but do not touch Social Security, do not raise taxes, do not touch Medicare, do not touch agriculture, but $500 billion is not enough, the same speaker will say.

I have heard all those speeches and they are great. But they do not reduce the deficit. And those who say no new taxes that is fine; that is your position, stick with it. Some of us who would not take pledges on taxes remember certain things that happened.

I certainly urge my colleagues on this side of the aisle to support this budget resolution. The American people want leadership not speeches. They may disagree with us. They may vote against us. But they have children and they have grandchildren. And if we do not act now, when? If we are not capable, who is going to act?

I have said for the past several years the biggest problem we have in America is the deficit. Boy, we hear great speeches on the Senate floor. I do not question anyone's motives but sooner or later we have to make tough choices. This is only a budget resolution. It is important, do not misunderstand me.

I thank the chairman, Senator SASSER, and Senator DOMENICI. They did a lot of hard work. I thank the other members of our team, Senator GRAMM, Senator HATFIELD, and Senator PACKWOOD on this side, and all others who were summiteers. I do not apologize for anything, except we spent a lot of time in the last 30 days. We have been night and day on the budget, 2 o'clock in the morning, 3 o'clock, 4 o'clock in the morning, midnight, all weekends.

We made an agreement and I hope we can stick by that agreement that we would each furnish at least half the votes, Republicans half of their votes, Democrats half of their votes.

I cannot help what happened in the House. I may not agree with it. I think they let the President down. I think they let the country down when they rejected the budget summit agreement because, as the distinguished Senator from New Mexico says, you can take a look, you can try everything else, and sooner or later you are going to come back to just about where we were. It is not easy to save $500 billion in a balanced package.

But this is the U.S. Senate. And we have a bit more flexibility. We have 6-year terms for a specific purpose so we can make harder choices. So I do not quarrel with the House of Representatives. I was there for 8 years and I understand the frustration, particularly if you are a Republican in the minority and have never had to govern, never been in the majority.

It is frustrating. But I believe we are on the right track. I want a majority on this side so that I can go to Senator

MITCHELL and others on the other side and say, listen, we are players in this game, and if we do not follow the guidelines in the reconciliation process we will not deliver any votes if we can help it on this side of the aisle. That is what we all agreed to do.

Some of my friends say, oh, well, what about the gas tax? There is nothing about a gas tax in here. What about this—some who I heard argue before—there is no specificity in the budget resolution. If you put it in there, they argue take it out. I want my committee to make the judgments.

I remember when I was chairman of the Finance Committee I argued with the Budget Committee every year, "Do not tell me what to do with the budget deficit; we will tell you what to do." I learned that from ROBERT C. BYRD.

Mr. DOMENICI. The Republican leader did, too.

Mr. DOLE. He is a great teacher.

So in any event, we know pretty much what the agreement is going to be. It is going to be tough. It is going to be hard to vote for, and it is not going to pass the Senate unless Republicans and Democrats support it. So nobody is going to engage in fun and games and try to fool anybody. If so it is not going to pass. If it should pass on a party line vote, it will be vetoed. I understand when the President signs a CR he may issue certain guidelines on what he expects in the reconciliation.

They have a $13 billion cut for agriculture in this, if you look at the budget summit agreement. It is in here but I have an inkling, it is probably going to be somewhere. And I am from a farm State. It is an entitlement program. Thirteen billion dollars is a lot of money for agriculture, but so is paying additional interest for farmers, and so is inflation for farmers. You add up what 1 percent interest rate means to farmers, more than 3 percent in target price or 1 percent inflation. My farmers want to be part of the solution not part of the problem.

Gas tax—oh, that is a bad idea, but that is only why we are over in the Persian Gulf, or in the gulf; the gulf crisis is all about oil. So we do not want any good policy. Do not have a gas tax because people do not like a gas tax. They are for cigarette tax, business taxes, liquor taxes, beer taxes, and wine taxes, unless they smoke or drink.

But a lot of people drive. And you take a poll and say, do you want to contribute to the gulf crisis and help our boys over there? Oh, yes, 89 percent. Do you want to pay 1 penny more in gas tax? No, 73 percent.

I do not know what the answer is unless we have leadership. I have a feeling the American people are about 6 months or a year ahead of us and have been and continue to be and they are fed up with this whole process, because they do not understand it.

We were out at Andrews Air Force Base so long we could have been called up or retired. I went over to the Officer's Club one night and there were some civilians over there, retired officers. They said, "What are you guys still doing here? You have been here all week." That was only the 5th day. They were still eating over there on the 10th day. They like it there. The rates are good. And we were still there the 10th day. They did not understand it. They are only normal human beings.

And we were running this up and down the tree, the capital gains and the bubble. They had not heard of the bubble in the Officer's Club. The buddly they heard of, but not the bubble. [Laughter.]

So we have an opportunity tonight to take a step forward to keep the process moving.

We had a rather raucous caucus this morning on our side. I apologize to anybody I may have offended, probably everybody who was there. But we want to move the process forward. The President of the United States wants to move the process forward. One of my responsibilities is to represent the President of the United States. And I am proud to do that. We want a majority vote on this side. In fact, we want more than a majority vote on this side to demonstrate our commitment to deficit reduction.

I think a lot of people forgot what this is all about. It is about deficit reduction. It is not about the gas tax or the cigarette tax or Medicare. In the long run, it is about deficit reduction, and our children and our grandchildren.

So the easy vote is no. Just vote no. It is too much this or it did not do enough of this or I will not vote for this. And that is fine, as long as we have a majority.

And keep in mind the tough vote is coming—reconciliation. That is the law. The President does not sign the budget resolution. He stayed out of this process. He does not sign the budget resolution. But he is going to sign the reconciliation or he is going to veto the reconciliation. He is going to sign it if it is fair and if it meets his requirements and our requirements in the Congress and sort of lives up to the budget agreement. If not, he is going to veto it.

Finally, I thank the majority leader and all of our colleagues on each side of the aisle. This has been a long, tough, tough process. Whatever happens, whatever the vote is, we thank you for your patience and your tolerance, because this has not been an easy job.

And the distinguished Senators from New Mexico and Texas and the two Senators from Oregon who have been on the firing line day after day in the process, I particularly thank them; and also the members of our staff who have gone through this for the past several months.

I think we have done a pretty good job, not perfect. We could all do a better job. I think at one time we had at least, 46 plans on this side and we only have 45 members; DOMENICI had 2. [Laughter]. And that is the way it goes. But this is what we have. This is it.

I urge my colleagues to vote "aye" for the United States, vote "aye" for the senior citizens, the farmers, the business people, the workingmen, the workingwomen, the children, the grandchildren who want to have a future, too.

The PRESIDING OFFICER. All time has expired.

Mr. MITCHELL. Mr. President, I ask unanimous consent that I be permitted to address the Senate for 5 minutes.

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

Mr. MITCHELL. Mr. President, Members of the Senate, midnight is not ordinarily harvest time, but it is tonight. Tonight, we reap the bitter harvest of a decade of national indulgence. For 10 years, the American people have been told they can have it all—more for defense, more for Medicare, less in taxes. Way down deep, in our national heart of hearts, we all knew it was not true. But it was easy to believe, easy to ignore the truth, easy for a nation to indulge itself. And our Nation did.

That is why in the past few months we, the elected representatives of the American people, have been caught in a crossfire. From one side, we have been hit with the insistent demand that we reduce the deficit. The American people know and we know that we cannot go on each year spending hundreds of billions of dollars more than we take in. But from the other side has come with equal insistence fierce resistance to higher taxes or lower spending.

Oh, of course, everyone is for less spending in the abstract. Few are for it in the specific. That is why there have been many speeches in this Senate calling for deep cuts in something called entitlements. I have listened and I have yet to hear one speech calling for deep cuts in Medicare or Social Security. But we all know that Medicare and Social Security are entitlements and the largest. We all know the problem. We all know the solution. And it has to begin here tonight.

This is not a perfect resolution. Every Senator who wants to vote against it, who wants to find a reason to justify a no vote, can say it does not do this exactly the way I would like to

see it done. We have 100 Senators and we have 100 perfect plans for reducing the deficit, if only the other 99 knew as much as each one did.

Well, this does not do everything every Senator would like, but it is a beginning. Its is a real beginning. It is a serious beginning.

The single most important contribution that we can make to America's economic future is to bring the deficit down so interest rates can come down. High interest rates are the greatest barrier to the expansion of our economy. The need to provide jobs for our people, jobs in a free market economy, the best social program ever devised, the best solution to our economic problems, the best way to have productive families, living in decent homes with their children going to good schools; in short, to give American families a chance to achieve the American dream. That is what we can help contribute to if we vote for this budget resolution.

Those who vote no, I respect their sincerity. I disagree with them and theirs is not the answer. But we simply must pass this resolution and we have committed ourselves on both sides of the leadership to have a majority of votes, a majority of Democrats and a majority of Republicans.

I want to say to my Democratic colleagues, we simply must meet our commitment. The American people do not think we are serious about the deficit. They do not think we are serious about managing the economy in a responsible way. We have got to begin here and now with this vote to prove that we are.

I urge my colleagues: vote yes for this resolution so we can begin the process of writing into law a fair and responsible and meaningful plan to reduce the deficit.

The budget resolution is not a law. It does not go to the President for signature. It is an internal mechanism by the Congress which enables us to proceed to write the law we can all then vote on in a couple of weeks. So there is not any excuse here to say "I did not vote for this because it cut this program" or "It raised that tax." It does not do that. That is going to be up to the committees to recommend and to bring back to us in the reconciliation bill. If you do not like it then, then you can try to change it or vote no then. But that is not an excuse for voting against this resolution.

I urge my colleagues: vote yes. Let us be serious and let us begin to harvest what we have sowed over this past decade. Let us try to begin now, and make sure that one decade of national self indulgence is enough. This Nation cannot stand two decades of national self indulgence. A yes vote ends one and begins a new decade.

I thank my colleagues.

The PRESIDING OFFICER. (Mr. PRYOR). All time has expired.

The Senator from Tennessee.

Mr. SASSER. I was just going to inquire of the Chair if all time had been yielded back?

The PRESIDING OFFICER. All time has expired.

The Chair will advise the managers that the yeas and nays have not been ordered.

Mr. DOMENICI. Mr. President, 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 conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from California [Mr. WILSON] is necessarily absent.

The PRESIDING OFFICER. Before the vote is announced, the Senate rules prohibit expressions of approval or disapproval from those in the gallery.

The result was announced, yeas 66, nays 33, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—66

Adams	Dodd	McClure
Akaka	Dole	Metzenbaum
Bentsen	Domenici	Mikulski
Biden	Durenberger	Mitchell
Bingaman	Ford	Moynihan
Bond	Fowler	Murkowski
Boren	Garn	Nunn
Boschwitz	Glenn	Packwood
Bradley	Gore	Pryor
Breaux	Graham	Reid
Bryan	Hatch	Riegle
Bumpers	Heinz	Robb
Burdick	Inouye	Rockefeller
Byrd	Jeffords	Rudman
Chafee	Kassebaum	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Kerrey	Simpson
Conrad	Kohl	Specter
Cranston	Lautenberg	Stevens
Danforth	Leahy	Thurmond
Daschle	Lieberman	Warner
Dixon	Lugar	Wirth

NAYS—33

Armstrong	Hatfield	McCain
Baucus	Heflin	McConnell
Burns	Helms	Nickles
Coats	Hollings	Pell
D'Amato	Humphrey	Pressler
DeConcini	Johnston	Roth
Exon	Kasten	Sanford
Gorton	Kerry	Shelby
Gramm	Levin	Simon
Grassley	Lott	Symms
Harkin	Mack	Wallop

NOT VOTING—1

Wilson

So, the conference report was agreed to.

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

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I thank my colleagues for their patience and effort on this matter. Many persons contributed much effort to this result. I thank all of them.

I especially want to thank my friend and colleague, the distinguished Republican leader, without whose efforts this result would not have been possible. I am very grateful for his continued cooperation and support, as we both recognize the difficult task lies ahead with respect to the reconciliation bill. I think this is a good beginning toward that objective.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

TRIBUTE TO MS. BLANCHE BLAUVELT

Mr. LEAHY. Mr. President, I come before the Senate today to recognize the achievements of Ms. Blanche Blauvelt of Stowe, VT.

For 25 years Blanche Blauvelt has volunteered her time at Copley Hospital in Morrisville, VT. She was also instrumental in the establishment of the Copley Auxiliary Second Chance Store.

During those 25 years, Copley has seen many volunteers come and go and served thousands of patients. The one constant throughout these years has been Ms. Blauvelt's service to Copley Hospital and the people of Vermont.

Copley now has over 100 volunteers, but this has not always been the case. When she first began, Ms. Blauvelt recalls how she and a handful of others were called upon to do whatever needed to be done at that particular instant. She thinks fondly of those earlier years, but is glad to see so many giving their time today and the expanded efforts and greater organization that this has brought about.

Copley Hospital is one of the fine rural hospitals Vermonters rely upon for their health care needs. I have spent the day with the people at Copley and seen firsthand the warmth of volunteers such as Blanche Blauvelt. The patients benefit from their care and the staff has come to depend on the support of Blanche Blauvelt and the rest of the volunteers at Copley.

For the record, I would like to submit an article from the Times Argus of Barre, VT, dated August 9, 1990, that acknowledges the dedication and commitment of Ms. Blauvelt to Copley Hospital. I join in their praise and extend my thanks and the

thanks of her fellow Vermonters for all of her work.

I wish her continued success with the hospital and hope she fulfills her dreams of helping out at Copley until the youthful age of 90 or 100 years old.

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

[The Times Argus, Aug. 9, 1990]

STOWE WOMAN MARKS 25 YEARS AS A COPLEY HOSPITAL VOLUNTEER

Blanche Blauvelt of Stowe has been serving as a volunteer at Copley Hospital in Morrisville for 25 years—and she still loves every minute of it. "Back when I started there was no volunteer director or anything—just a group of us who came to do whatever we could. We helped nurses change beds, put away office files and did everything in general. Now everything is wonderfully organized. We have schedules, know exactly what to do each day—and I think this way we really are better able to be of help," she added.

During Blauvelt's years with Copley she has seen many changes and feels the hospital has evolved into an outstanding rural health care facility. She especially enjoys working "up on the second floor" where volunteers deliver patients' mail, offer cheerful assistance to patients and visitors alike, and often run assorted errands.

"On the floor you meet more people and really stay in touch with the hospital," she noted.

Blauvelt was one of the original organizers of the Copley Auxiliary Second Chance Store but, once that was well established, she returned to spend more time in the hospital.

There are nearly 100 men and women who give of their time and talent to Copley Hospital and their efforts are of benefit to us all. Through their work, the hospital saves time and money executing a variety of tasks. Through the volunteers' concern for the community, patients and their families get a helping hand and a cheerful smile—part of the general TLC that has become a tradition at Copley.

"This place is great! I love being able to volunteer here. It is very rewarding working with such a fine team. As long as my health allows it, I plan to continue—perhaps until I'm 90. Who knows? Maybe I'll still be helping here when I'm 100," Blauvelt commented with a gleam in her twinkling eyes. The folks at Copley certainly hope so.

MESSAGES FROM THE HOUSE

At 2:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the concurrent resolution (H. Con. Res. 310) setting forth the congressional budget for the United States Government for the fiscal years 1991, 1992, 1993, 1994, and 1995.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 666. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

ENROLLED BILLS SIGNED

At 7:47 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 247. An act to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such Act, and for other purposes;

S. 830. An act to amend Public Law 99-647, establishing the Blackstone River Valley National Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission;

S. 2437. An act to authorize the acquisition of certain lands in the States of Louisiana and Mississippi for inclusion in the Vicksburg National Military Park, and for other purposes; and

H.R. 4758. An act to provide for the construction, operation, and maintenance of an extension of the American Canal at El Paso, Texas.

The enrolled bills were subsequently signed by the President pro tempore [Mr. BYRD].

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 2297. A bill to reauthorize certain provisions relating to Indian alcohol and substance abuse prevention and treatment programs (Rept. No. 101-510).

S. 2895. A bill to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes (Rept. No. 101-511).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS (for himself, Mr. BOREN, Mr. DASCHLE, Mr. EXON, Mr. CONRAD, and Mr. KERRY):

S. 3170. A bill entitled the "Commodity Credit Corporation Relief Act of 1990"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATFIELD:

S. 3171. A bill to authorize the Secretary of the Interior to survey sites associated with the relocation and internment of Japanese and Japanese-Americans during World War II, to provide for suitable identification, preservation, and interpretation of such sites, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS (for himself, Mr. BOREN, Mr. DASCHLE, Mr. EXON, Mr. CONRAD, and Mr. KERRY):

S. 3170. A bill entitled the "Commodity Credit Corporation Relief Act of 1990"; to the Committee on Agriculture, Nutrition, and Forestry.

COMMODITY CREDIT CORPORATION RELIEF ACT

● Mr. BAUCUS. Mr. President, I rise to introduce legislation to provide emergency repayment of Iraqi debts guaranteed by the Commodity Credit Corporation by liquidating Iraqi assets in the United States.

Since Iraq's invasion of Kuwait the United States has imposed a number of economic sanctions against Iraq.

On August 3, 1990, the President imposed an embargo on Iraq and froze substantial Iraqi assets in the United States. Precise estimates of the value of the Iraqi assets frozen are not available, but they appear to be worth several hundred million dollars.

In retaliation, Iraq took a number of steps, including suspending payments on debts to creditors in the United States.

On September 19, Iraq took the additional step of seizing all assets of nations supporting the U.N. embargo of Iraq.

This included an as yet unspecified amount of U.S. assets.

Iraq now owes creditors in the United States about $2.6 billion.

This includes about $1.9 billion in loans to Iraq guaranteed by the U.S. Department of Agriculture for loans to purchase U.S. agricultural exports.

If Iraq defaults on these debts, USDA's Commodity Credit Corporation would be forced to pay off the loans.

These debts would cost the CCC approximately $900 million in fiscal year 1991 alone.

That would be a tremendous drain on CCC assets that are already drawn thin to support the farm program.

My legislation would direct the President to liquidate a portion of Iraqi assets sufficient to repay their debts to United States creditors—particularly the Department of Agriculture.

The point of this legislation is simple.

American farmers are already suffering because of the Middle East crisis in many ways.

Farmers are paying drastically higher fuel prices because of the threat to the flow of oil.

Farmers also stand to lose hundreds of millions in sales to Iraq because of the embargo.

But if we do not take action, farmers will also be effectively forced to pay off Iraqi debts out of the farm program.

This is simply unacceptable.

Iraq has seized United States assets. It is now time for us to follow suit.

This legislation is cosponsored by Senators BOREN, DASCHLE, EXON, CONRAD, and KERRY.

We must move to pass this critical legislation quickly.

I ask unanimous consent that the text of the legislation appear directly following my statement.

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

S. 3170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(A) FINDINGS

(1) The Commodity Credit Corporation of the U.S. Department of Agriculture is now guaranteeing loans to the Government of Iraq valued at $1.9 billion;

(2) Default on these loans by Iraq force the Commodity Credit Corporation to pay $900 million in loan guarantees in the next fiscal year;

(3) Paying these loan guarantees could cause the Commodity Credit Corporation and the farmers that depend upon it in substantial financial distress.

(B) Notwithstanding any other provision of law the President is directed to—

(1) to vest title in a portion of the property in which transactions have been blocked pursuant to Executive Order 12722 of August 3, 1990, which portion shall be equal to the total amount of obligations owed to the United States Government and the United States nationals for which Iraq has suspended repayment; and

(2) to liquidate such property and pay the United States creditors the amount of the obligation referred to under paragraph (1).

(C) In the event that property liquidated under subsection (B)(2) is less than the total amount of obligations described in subsection (B)(1), then obligations the repayment of which is guaranteed by the Commodity Credit Corporation shall be given priority in the payment of creditors.

(D) The President is authorized to waive action under the section if he determines that such action would not be in the national interest.●

ADDITIONAL COSPONSORS

S. 2319

At the request of Mr. GARN, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2605

At the request of Mr. PRYOR, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2605, a bill to amend title XIX of the Social Security Act to provide mechanisms to control Medicaid drug prices while assuring that beneficiaries receive quality medical care, physicians' prerogative to prescribe is protected and the role of pharmacists is enhanced.

S. 2956

At the request of Mr. GRAHAM, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 2956, a bill for the relief of Benjamin H. Fonorow.

S. 3029

At the request of Mr. PRYOR, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 3029, a bill to amend title XIX of the Social Security Act to provide mechanisms to control Medicaid drug prices, to assure that medicaid beneficiaries receive quality medical care, and to protect the physician's right to prescribe.

AMENDMENTS SUBMITTED

CONTINUING APPROPRIATIONS, FISCAL YEAR 1991

BYRD (AND McCLURE) AMENDMENT NO. 2939

Mr. BYRD (for himself, and Mr. McCLURE) proposed an amendment to the joint resolution (H.J. Res. 666) making further continuing appropriations for the fiscal year 1991, and for other purposes; as follows:

In subsection 101(b), after "the Senate as of October 1, 1990," insert "or at a rate for operations not exceeding the current rate and under the authority and conditions provided in applicable appropriations Acts for the fiscal year 1990,".

In section 103, strike the sum "$262,969,000,000" and insert in lieu thereof: "$265,369,000,000".

In subsection 108(c), strike "October 20, 1990," and insert in lieu thereof: "October 19, 1990,".

In section 114, strike "October 20, 1990" and insert in lieu thereof: "October 19, 1990".

BYRD AMENDMENT NO. 2940

Mr. BYRD proposed an amendment to the joint resolution (H.J. Res. 666), supra; as follows:

At the end of the joint resolution add the following:

"It is the sense of Congress that the date by which committees should report their reconciliation language to their respective Budget Committees should be October 12; that the Budget Committee should report the reconciliation bills no later than close of business October 3; that it is the sense of the Senate that the Senate should begin consideration of the reconciliation bill on the first day of session following its report by the Budget Committee.".

AUTHORIZATION FOR SENATOR BRYAN TO SIGN ENROLLMENT ON HOUSE JOINT RESOLUTION 666

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BRYAN be authorized to sign the enrollment on House Joint Resolution 666.

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

MILDRED AND CLAUDE PEPPER SCHOLARSHIP PROGRAM

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2666.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 2666) entitled "An act to establish a Mildred and Claude Pepper Scholarship Program," and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Hawkins, Mr. Ford of Michigan, Mr. Williams, Mr. Goodling, and Mr. Coleman of Missouri be the managers of the conference on the part of the House.

Mr. MITCHELL. Mr. President, I move that the Senate insist on its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses and that the chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer appointed Mr. KENNDY, Mr. PELL, Mr. METZENBAUM, Mr. HATCH and Mrs. KASSEBAUM conferees on the part of the Senate.

NATIONAL AND COMMUNITY SERVICE ENHANCEMENT ACT

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1430

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 1430) entitled "An act to enhance national and community service, and for other purposes," and ask a conference with the Senate on the disagereing votes of the two Houses thereon.

Ordered, That the following Members be the managers of the conference on the part of the House:

From the Committee on Education and Labor, for consideration of the Senate bill (except sections 222, 501, 502, 507, and 508), and the House amendment (except sections 132(e), 191-195, and 199), and modifications committed to conference: Mr. Hawkins, Mr. Ford of Michigan, Mr. Gaydos, Mr. Miller of California, Mr. Kildee, Mr. Williams, Mr. Martinez, Mr. Owens of New York, Mr. Sawyer, Mrs. Lowey of New York, Mrs. Unsoeld, Mr. Goodling, Mr. Gunderson, Mr. Coleman of Missouri, Mr. Petri, Mr. Tauke, Mrs. Roukema, and Mr. Fawell.

From the Committee on the Judiciary, for consideration of section 132(e) of the House amendment, and modifications committed to conference: Mr. Brooks, Mr. Edwards of

California, Mr. Staggers, Mr. Fish, and Mr. Dannemayer.

From the Committee on Energy and Commerce, for consideration of section 222, 501, and 502 of the Senate bill, and modifications committed to conference: Mr. Dingell, Mr. Thomas A. Luken, Mr. Waxman, Mr. Lent, and Mr. Whittaker: Except that, for consideration of sections 501 and 502, Mr. Madigan is appointed in lieu of Mr. Whittaker.

From the Committee on Foreign Affairs, for consideration of sections 507 and 508 of the Senate bill, and sections 191-199 of the House amendment, and modifications committed to conference: Mr. Fascell, Mr. Berman, Mr. Levine of California, Mr. Broomfield, and Mr. Gilman.

From the Committee on Interior and Insular Affairs, for consideration of subtitle C of title I of the Senate bill and title II of the House amendment, and modifications committed to conference; Mr. Udall, Mr. Vento, Mr. Lewis of Georgia, Mr. Young of Alaska, and Mr. Lagomarsino.

Mr. MITCHELL. Mr. President, I move that the Senate disagree to the House amendment and agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer appointed Mr. KENNEDY, Mr. PELL, Mr. DODD, Ms. MIKULSKI, Mr. HATCH, Mr. JEFFORDS, and Mr. DURENBERGER conferees on the part of the Senate.

PERMANENT ENDOWMENT FOR THE EISENHOWER FELLOWSHIP PROGRAM

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2017.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2017) entitled "An Act to provide a permanent endowment for the Eisenhower Exchange Fellowship Program," do pass with the following amendment:

Page 8, after line 8, insert:

SEC. 9. FASCELL FELLOWSHIP PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Fascell Fellowship Amendments Act of 1990".

(b) SERVICE OF FASCELL FELLOWS.—

(1) ESTABLISHMENT.—Section 1002(a) of the Fascell Fellowship Act (22 U.S.C. 4901(a); hereinafter in this section referred to as "the Act") is amended—

(A) by striking out "formerly" and inserting in lieu thereof "which would otherwise be"; and

(B) by striking out "in the Soviet Union or Eastern European countries" and inserting in lieu thereof "abroad".

(2) PURPOSE OF THE FELLOWSHIPS.—Section 1002(c) of the Act (22 U.S.C. 4901(c)) is amended—

(A) by striking out "in the Soviet Union or an Eastern European country" and inserting in lieu thereof "abroad"; and

(B) by striking out "Soviet or Eastern European" and inserting in lieu thereof "that country's".

(3) INDIVIDUAL WHO MAY RECEIVE A FELLOWSHIP.—Section 1002(d) of the Act (22 U.S.C. 4901(d)) is amended by striking out "Soviet or Eastern European area studies or languages" and inserting in lieu thereof "international affairs, foreign languages, or career and professional experience or interest in international affairs,".

(c) FELLOWSHIP BOARD.—

(1) MEMBERSHIP.—Section 1003(b) of the Act (22 U.S.C. 4902(b)) is amended in paragraph (4) by striking out "Soviet or Eastern European area studies or languages" and inserting in lieu thereof "international affairs or foreign languages,".

(2) TRANSITION.—The amendment made by paragraph (1) shall apply only to appointments to the Fascell Fellowship Board after the date of the enactment of this section and shall not affect the service of members of such board on the date of the enactment of this section.

(d) POSTING OF FELLOWS.—Section 1005(a) of the Act (22 U.S.C. 4904(a)) is amended by striking out "in the Soviet Union or Eastern Europe" and inserting in lieu therof "abroad".

Mr. MITCHELL. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

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

Mr. DOLE I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration, en bloc, of Calendar Nos. 896 and 897; that the bills be read a third time and passed; that the motion to reconsider the passage of these bills be laid upon the table.

I further ask unanimous consent that any statements relating to these calendar items appear at the appropriate place in the RECORD, and that the consideration of these items appear individually in the RECORD.

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

CONNECTICUT COASTAL PROTECTION ACT

The bill (H.R. 3468) to amend the act entitled "An Act to extend the Wetlands Loan Act," to provide for the expansion of the Stewart B. McKinney National Wildlife Refuge, was considered, ordered to a third reading, read the third time, and passed.

CHEHALIS RIVER BASIN FISHERY RESOURCES STUDY AND RESTORATION ACT

The bill (H.R. 3787) to authorize a joint Federal, State, and tribal study for the restoration of the fishery resources of the Chehalis River Basin, Washington, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ORDERS FOR TUESDAY, OCTOBER 9, 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Tuesday, October 9; that following the prayer, the Journal of the proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; and that upon reservation of leaders' time, the Senate proceed to the consideration of Calendar No. 946, S. 3167, the Social Security pay-as-you-go proposal; and that the Senate stand in recess from 12:30 to 2:15 p.m. in order to accommodate the party conferences.

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

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 10 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess, as under the previous order, until 10 a.m. this morning.

There being no objection, the Senate, at 1:19 a.m., recessed until Tuesday, October 9, 1990, at 10 a.m.

EXTENSIONS OF REMARKS

THE BIG BUDGET LIE

HON. PAUL E. KANJORSKI
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Sunday, October 7, 1990

Mr. KANJORSKI. Mr. Speaker, the noted economist Lester Thurow, dean of MIT's Alfred P. Sloan School of Management, has written an incisive analysis of our current budget crisis. His critique, which appeared in this morning's Washington Post traces the origin of the crisis as well as offering a prescription for change. I commend it to all my colleagues in the House.

[From the Washington Post, October 7, 1990]

THE BIG LIE THAT CAUSED THE BUDGET CATASTROPHE

(By Lester C. Thurow)

(Dean, Alfred P. Sloan School of Management, Massachusetts Institute of Technology)

In 1980 the American electorate embarked on a grand experiment—supply-side economics. Ten years later, that experiment continues to warp the political process. Its enduring influence explains why Congress and President Bush found it so difficult to reach any budget agreement at all; why the failed agreement was so peculiarly shaped; and why the public, nourished on a decade of false promises, seems unwilling to make even modest sacrifices to assure the nation's economic future.

In the current economic climate almost any solid deficit-reduction package would be welcome. Still it is remarkable that the initial deal struck last week would aggravate the very features of the current tax system that seemed most generally objectionable to tax experts and the public: Its "small business growth incentives" would offer new tax dodges to the wealthy—who had supposedly traded away their shelters for the much lower tax rates provided by the 1986 tax reform; its tax-deduction limit would worsen, rather than eliminate, the disreputable "bubble" feature which grants the very, very rich lower marginal income tax rates, and hence lower capital-gains tax rates than those faced by the merely well-to-do taxpayers; and it would increase the relative tax burden borne by low- and moderate-income taxpayers. All this is a package endorsed by Democratic leaders who claimed to have tax fairness as their top concern.

What explains the persistence of supply-side mythology? From where comes its power to so constrain American politics?

When America first jumped on the supply-side bandwagon, people felt, rightly, that the economic performance of the 1970s was unacceptable. The political and military affronts in Tehran were compounded by the vision of a chained economic giant wilting in the face of Japanese and German competition.

A GNP growth rate of 2.8 percent was unacceptable when compared with the 4.1 percent growth rate of the 1960s. That dismal record was compounded by an even more important measure of economic performance, productivity growth—the rate at which a nation is becoming more efficient and hence more affluent. The 1960s' growth rate of 2.9 percent had fallen to only 1.4 percent in the 1970s. Such a decline meant that instead of doubling every 24 years, America's standard of living would take 50 years to double—each generation could no longer expect to have a standard of living twice that of its parents. Facing these facts Americans were willing to try something new and different.

Supply-size economics, as enunciated by President Reagan and later embraced by Bush, promised that lower taxes on upper income groups would stimulate savings and hence permit more investment—the argument used by Bush to advance his capital-gains tax cut proposals in the recent budget summit. Higher investment would lead to higher growth. In addition to restoring economic vigor and rebuilding international competitiveness, higher growth would accomplish two other important objectives—without asking for painful sacrifice from anybody.

First, with a larger economy, government tax revenue could go up even though tax rates had been reduced. In 1981 Reagan promised that the federal budget would be balanced in 1985 without having to make significant spending reductions. Second, although most of the tax cuts would go to high-income individuals (it was they who had the capacity to save more), higher growth would lead to better paying jobs for middle- and low-income Americans. In the short run their total tax rates would go up—for 80 percent of the population the extra payroll taxes they would be asked to pay to fund Social Security would be larger than the income tax cuts they would get. But with higher earnings they would in the end benefit. All gain, no pain.

Politically supply-side economics delivered the goods—three presidential elections have been won using it—but economically it has not delivered on any of its promises.

Where higher GNP growth was promised, lower growth was delivered—2.6 percent over the decade of the 1980s. In 1990 the economy is stalled on the lip of a recession, just where it was in 1980. Because of the debt and banking problems built up during the 1980s, any recession in the 1990s will produce levels of bankruptcy not seen since the Great Depression. Even without a recession, middle-class wealth is melting away as housing prices fall in much of the nation in reaction to the debt excesses of the 1980s.

Instead of growing faster, productivity slowed down—1.2 percent during the 1980s. In 1989 productivity actually declined. There is only darkness visible at the end of the productivity tunnel.

Savings rates plunged. In the last four years of the 1970s, American families saved 7 percent of their disposable income; in the last four years of the 1980s, they saved only 4 percent. The rich saved nothing from their tax cuts. In contrast, the Japanese saved 15.7 percent of their income in the past 12 months.

If total national savings (a measure that includes corporate savings and government dissavings) is examined, savings fell from 17.4 percent of GNP in the last four years of the 1970s to 11.3 percent of GNP in the last four years of the 1980s. As a result, in 1989 Japanese investments in plant and equipment per worker were three times as large as those in the United States.

At the beginning of the decade the United States had a small surplus in its trading accounts ($1.5 billion in 1980 and $8.2 billion in 1981). At the end of the decade it recorded a current-account deficit of $129 billion in 1988 and $110 billion in 1989. What was a competitive problem at the beginning of the decade was a competitive disaster at the end of the decade.

In 1981 the United States was the world's largest creditor nation with net assets totaling $141 billion. Every year the rest of the world paid interest, dividends, and profits to Americans. By 1989 the United States had become the world's largest net debtor nation with debts totaling $620 billion. Where Americans used to get, they now give.

The federal deficit did not, of course, vanish in 1985. In the year ahead, the deficit is estimated to be $254 billion and rising if last week's deficit reduction proposals are passed by Congress ($294 billion if they are not) and over $300 billion if the Social Security surpluses are excluded from the totals, as they ought to be. A budget summit that reduces the deficit by $40 billion is essentially the equivalent of Nero fiddling while Rome burns. The difference is that Nero wanted to burn Rome so that he could rebuild it—the Roman Colosseum was his. Unfortunately there is no evidence that the current fiddlers have any real rebuilding in mind.

President Bush is fond of saying that "we have more will than wallet." He has it exactly backwards. Our GNP after correcting for inflation is four times as large as it was in 1947 when we were paying to rebuild the world after World War II. Our per capita GNP is 2.3 times as large. We can afford to do what must be done abroad; we can afford to do what must be done at home.

America is not an over-taxed country. In 1989, Americans paid fewer taxes as a percentage of GNP (about 30 percent) than the citizens in any other industrial country. Taxpayers in 22 industrial countries, including the Japanese and the Germans, paid more. Moreover, there are places where the budget can be cut without harm. Based on the performance of other countries * * * performances when it comes to health and longevity, substantially less could be spent on health care if the system were fundamentally reorganized. The events in Eastern Europe mean that big defense cuts can occur while still maintaining our ability to fight wars in the Third World. America has more than 2 million troops; fewer than 200,000 are in the Middle East.

The American problem is will—not wallet. In a democracy, will depends upon leadership and in the United States that means presidential leadership. It isn't leadership to spend months arguing that a capital-gains

tax cut is the most important issue facing the American economy.

Whatever one believes about the growth-enhancing aspects of a capital-gains tax cut—or other "tax incentives"—everyone agrees that they leave more after-tax income in the hands of the wealthiest. In the last decade America has already had a heavy dose of that kind of "sacrifice."

Recently the U.S. Census Bureau confirmed that inequality in the distribution of income had increased substantially in the last decade. Every statistic points in the same direction. In the decade of the 1980s, the average real income of the top 5 percent of the population rose from $120,253 to $148,438. At the same time the average real income of the poorest 20 percent fell from $9,990 to $9,431. After-tax measures of income would report an even wider gap. As the income share of the top 20 percent rose in the 1980s, the income share of each of the bottom four quintiles was falling—the lower the quintile the bigger the decline. Despite a 21-percent rise in the real per capita GNP, the average real hourly wages of rank-and-file workers fell 5 percent. Those promised good jobs for middle- and low-income Americans did not appear.

If the income share of the rich is rising at the expense of the rest of the population (it is), if government is directly altering its policies to augment the income share of the rich (it has), if the campaign contributions of special interests increasingly dominate the political process (they do), if fewer and fewer middle- and lower-income individuals vote (it's happening), America is, under the cover of supply-side economics, rapidly moving towards becoming (dare we say it openly?) a plutocracy.

Unfortunately history tells us that as a social and governmental system, plutocracy does not for long work.

MS. VIVIAN FREEMAN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 8, 1990

Mr. DYMALLY. Mr. Speaker, a woman who was like a mother to me, and for whom I had great love and respect, passed away on October 4, 1990.

Vivian Freeman was the grandmother to my two children—Mark and Lynn, and great grandmother to my only grandchild, Miya Dymally. Among the many kind acts she showered on me, I remember her sewing shirts for me while I attended college in the day, and worked at night.

On Monday, October 8, her family and friends paid their last respects to her at the Angelus Crenshaw Chapel in Los Angeles.

Her family and friends will surely miss her, and I continue to have fond memories of this beautiful woman whom I called mother.

OBITUARY

VIVIAN FREEMAN was born in Harrellsville, North Carolina, May 6, 1913. After graduating from Tarboro N.C. High School, she moved north to Harlem, New York. She had a great love for the jazz/swing music of the times and was quite proficient in the Lindy Hop and so she landed a job at the famed Savoy Ballroom, first as a dance hostess and later as a hat checker.

During World War II, she worked as a seamstress, making and repairing flyer's jackets and parachutes. In 1944, she came out to California with her daughter and sister. She always used to say, "When I stepped out of the Union Station downtown—I KNEW I WAS HOME!"

She continued to work as a seamstress after the war and became very active in the labor movement. A staunch member of the International Ladies Garment Workers Union, she served first as Chairlady for the shop where she was employed. As time progressed she was Chairperson of The Dress and Sportswear Joint Board, ILGWU, and later served as Chairperson of the Los Angeles Joint Board of ILGWU. She was a Delegate to the County Federation of Labor, a member of COPE and was appointed to the County Democratic Central Committee. She was known for her scrappy, no nonsense personality in politics and civil rights causes. Vivian Freeman was a dedicated Democrat and a fighter!

Her bouts with diabetes and heart trouble forced her retirement in the very early seventies. She beat the odds with two double by-pass surgeries, several heart attacks and vascular surgery. Vivian had a fantastic will to live and she fought off all her physical ailments with a stamina that was remarkable to family and friends.

Although ailing, she was an active member with Crenshaw Christian Center's Seniors and loved to work with the Food Committee at Baldwin Villa Plaza, the Senior Citizens complex where she resided until a stroke in May facilitated her recuperation at a skilled nursing center. She died of multiple complications at Daniel Freeman Memorial Hospital, October 4, 1990.

Twice widowed, she is survived by her only child, Amentha Dymally; two grandchildren, Mark Dymally and Lynn Dymally-Lee and husband, Bill Lee; one great granddaughter, Miya Dymally; son-in-law, Congressman Mervyn M. Dymally; the sisters, Mrs. Maude Porter of Tarboro, N.C., Mrs. Ethel Wallace and husband, Rev. Joseph Wallace and Mrs. Ella Mable Wildon of Norfolk, VA; former husband Charles W. Wilkes of Harlem, New York; nephews, Kim Wallace and Milton Newton (wife, Sheila) and niece, Candace Wallace Brown of Washington, D.C. She was beloved by a host of in-laws and grand nieces and nephews.

May God bless her.

TRIBUTE TO THE SESQUICENTENNIAL OF ST. JOSEPH'S ACADEMY IN ST. LOUIS, MO

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 8, 1990

Mr. BUECHNER. Mr. Speaker, there are those who believe that our society has lost the priority it once assigned to education; that the days of caring teachers, interested students, and concerned parents are over; and that schools are now mostly administrative entities. However, I would suggest to such people that they merely observe the St. Louis area Catholic schools. Thus, it is with great pleasure that I rise in tribute to the sesquicentennial of St. Joseph's Academy, a school which epitomizes all that ever was right about American education.

St. Joe's, as it is known in the area, enjoys a long and rich history. The school was first conceptualized by Bishop Joseph Rosati in 1843, as the bishop recognized the need for a school that could educate girls in spirit as well as mind. At the request of the bishop, six sisters of St. Joseph of Carondelet laid the foundation for a school which today has become synonymous with excellence in education to the people of the St. Louis area.

The school has come a long way from the little cabin founded in the mid-1800's. Today the campus sits on a 37-acre lot which includes a large academic building, a chapel, a convent and a gymnasium. It has a substantial endowment, a strong alumnae organization, and a record of academic and athletic achievement which is unsurpassed among St. Louis area girls' schools.

And yet, Mr. Speaker, I would still submit that the St. Joseph's Academy has never strayed far from the principles that shaped that first little school that Bishop Rosati envisioned. The Sisters of St. Joseph continue to emphasize the importance of spiritual growth among the students, and the religious side of education has never wavered at St. Joe's.

Mr. Speaker, if I had to describe the philosophy of Catholic education in one phrase, I would say that education must be a beginning, a means, and an end in itself. I am fortunate enough to have come from such a background, and it is with great pride that I take this occasion to salute an excellent example of this philosophy. Accordingly, Mr. Speaker, I ask this assembly to join me in saluting St. Joseph's Academy upon the occasion of its sesquicentennial anniversary.

HOUSE CONCURRENT RESOLUTION 310

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, October 8, 1990

Mr. ROWLAND. Mr. Speaker, during the early hours of Friday, October 5, 1990, I, along with 253 of my colleagues, voted to reject House Concurrent Resolution 310, which contained the blueprint for implementing the budget summit agreement. I voted against the resolution because it contained severe Medicare premium and deductible increases, economically devastating gasoline and other excise tax increases targeted at working class America, a home heating oil tax increase that can only be labeled a callous disregard for human life in the Northeast, and two provisions which would have had crippling effects on the life insurance industry in my home State of Connecticut.

To make an already dismal package worse, the spending reductions in the agreement made Alice in Wonderland read like a more informed dissertation on budget control, process, and reform. How many years in a row now have there been bills introduced in the House and Senate to remove the Social Security and Aviation and Highway trust funds from the unified budget so that they could not be counted against the budget deficit? At least every year since I arrived in Washington

in 1985. But in this budget agreement, the Federal Government is going to have a balanced budget by 1994 if, and only if, the trust fund surpluses were included. The trust fund surpluses have been used in the past to hide increased Government spending and the budget agreement spelled business as usual.

I was excoriated by the editorial board of Connecticut's largest newspaper for my vote, but I remain proud of it. My job is to represent my constituents, to protect their welfare and to ensure that their livelihood is not casually discounted for a phony budget agreement that has little in it for the national public good, but a lot in it that will only guarantee continued Federal budget deficits for years to come.

Mr. Speaker, I did what I was elected to do on October 5. I did so again on October 8 when I voted to reject the reworked and equally dismal budget resolution. The new budget resolution contains the same hit on working class America, the elderly, the economy, thousands of Connecticut residents who work in the insurance industry, and still does not contain any fundamental control on Government spending.

The leadership in the House and Senate, as well as the White House may say that there is no alternative to the budget summit agreement, and that a "no" vote is a vote against the Government and its operations. This strong arm rhetoric completely ignores the many alternatives that have been put forward every year since Congress approved the Budget and Impoundment Control Act of 1974. The most obvious alternatives, and which I have supported since coming to Congress in 1985, are to place freezes on spending. Whether it is a freeze at the previous year's level of spending, or at the baseline, that is, the previous year's spending level plus inflation, or some level in between, the fact is that spending freezes provide absolute and unavoidable spending reductions. The Congress has tried every other way to reduce the deficit, but has rarely used spending freezes as fully as they should have.

Mr. Speaker, spending freezes will reap benefits far beyond simple deficit reduction. The financial markets recognize spending freezes as the truest form of deficit reduction. Thus spending freezes will bolster the financial markets. The Federal Reserve—as Chairman Greenspan has reminded us so often—will also view spending freezes as the most effective deficit reduction plan possible and will consequently lower interest rates. Lower interest rates will mean more investment, more jobs and the ability to grow out of the recession the Nation now faces. Most importantly, however, a freeze on spending will mean no new or increased taxes on working class America would be needed. In the Northeast, where the economic recession is all but total, no new taxes is the only hope the region has to shorten the duration of the recession.

Mr. Speaker, I was also fulfilling my congressional responsibilities when I voted to override the president's veto of the continuing resolution on Saturday. I believed that the Members of the House and the Senate ought to have the chance to make substantial changes in the budget summit agreement. I went against my President and the majority of my party to do this. Not an easy decision to make, but, again, a decision based upon my responsibility to my constituents and their welfare. Perhaps it was because the President's veto was sustained that the House found placed before it on October 8 the rehashed, rebaked, reused, and ridiculous budget resolution I again voted against. That is why I also voted again in favor of the new continuing resolution, in order to provide the Members of the House and Senate yet another chance to make the needed changes to the budget agreement.

The opportunity exists to forge a deficit cutting budget agreement that does not target the elderly, that does not polarize regions of the country, that does not ruin the economy, and that does not cripple individual industries. Everyone talks about how everyone must sacrifice in order to reduce the deficit. A freeze in current spending will guarantee that everyone does their share in the most equitable manner possible.

Let me close by asking one question of you, Mr. Speaker, and all of my colleagues; if spending is our problem, how can taxing be our answer? Because let me make it very clear, if taxes are raised and spending is not frozen—even if taxes on the rich were raised by 50 percent—the Congress will be right back here next year voting on another worthless budget resolution and trying to convince an American public of how serious we are about reducing the deficit. All I can say, is if that is the game plan, I am glad I have chosen to take up a new sport.

DR. WALTER R. TUCKER

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 8, 1990

Mr. DYMALLY. Mr. Speaker, the city of Compton, CA, experienced a great loss recently with the passing of its mayor, Dr. Walter R. Tucker.

Mayor Tucker had two great loves—his family and the people of Compton.

On Saturday, October 6, 1990, family and friends from all over California bid him farewell at a memorial service held at Double Rock Missionary Baptist Church, Compton, CA.

I join with the people of the city of Compton in expressing our deep sympathy to his family.

HIS LIFE REMEMBERED

" A GOOD name is rather to be chosen than great riches, and loving favor rather than silver and gold." Proverbs 22:1

Walter R. Tucker—a Doctor of Dentistry, the Mayor of the City of Compton, and a clergyman. Walter R. Tucker, a name that bore many titles, but also one synonymous with words like honesty, humility, integrity, temperance, and sensitivity. A name that defines such terms as "devoted husband," "loving father," "a man of high moral character," "a friend of the down-trodden," "a model citizen," and like David, "a man after God's own heart." Walter R. Tucker, a good man—A Good Name.

Walter Rayford Tucker was born on August 27, 1924 in Taft, Oklahoma to the union of Carrie Matilda Watson Tucker and Nye James Tucker. The seventh of eight children, and a twin, he graduated from Washington High School in Haskell, Oklahoma. Prior to completing his higher education, he served in the United States Army achieving the rank of Sergeant and receiving an honorable discharge. Dr. Tucker's tours of duty during World War II (1942-1946) included the Philippines and occupied France. He received his Bachelor of Arts Degree from California State University in Los Angeles. Dr. Tucker also attended graduate school at the University of Southern California-Los Angeles, and Meharry Medical College, School of Dentistry whence he received his Doctor of Dental Surgery Degree in 1955.

While in medical school, Dr. Tucker met and fell in love with Martha Ann Hinton, and on June 6, 1955 they were united in marriage. To this blessed union four children were born: Keta Gale, Walter Rayford III, Kenneth Nye and Camille Elizabeth. In 1957 Dr. Tucker and his wife Martha, moved to Compton, California, where they raised their children and have resided since that time.

Dr. Tucker's political career spans some 23 years. In 1967 Dr. Tucker was elected to the Compton Union High School Board of Trustees, and then the Compton Unified School District Board of Trustees. In 1973 he was elected to the Compton City Council, representing the third district. Finally in 1981 Dr. Tucker was elected as Mayor of Compton. Serving three consecutive terms, he was the only Black Mayor ever to be reelected to office in the City of Compton.

As the Mayor of Compton, a dentist, minister and family man, Dr. Tucker maintained a full schedule. His charisma and concern for others led him to be well respected not only in his community but also throughout the state and across the nation. His expertise in city government, his talent and proficiency in the dental profession and his Christian deportment were in his trademarks.

He recognized the importance of Compton's participation in issues that reached beyond the city's borders. He wanted to see the City prosper and grow, and worked diligently toward that end. Mayor Tucker was involved in on-going negotiations and lobbying efforts to gain a higher ranking for the City of Compton in many federal and state programs, bringing much-needed funds to support City projects. Mayor Tucker was instrumental in and supported the building of the first major hotel in the City of Compton. Among his priorities was the desire to see gun control laws established. Also at the top of his list of priorities was the annexation of those properties within the sphere of influence of the City of Compton.

He was a member of the Board of Directors of the National Conference of Black Mayors (NCBM), the World Conference of Mayors (WCM), and the California Council of Criminal Justice Planning. Mayor Tucker was the City's representative, and attended meetings regularly for the following organizations: The Local Agency Formation Commission, Los Angeles County Sanitation District, Southeast Mayors and Council Members Group, Independent Cities Association of Los Angeles County, League of California Cities, Southern California Association of Governments, California Contract Cities, and many other organizations.

Despite the demands made on him as mayor, Dr. Tucker—for many years—maintained a successful dental practice in the City of Compton, many times providing free dental assistance to those who could not afford to pay.

Rev. Tucker's strong faith and compassion attested to the spiritual influence of his Christian parentage. While his mother and father stressed respect for others, discipline, education and knowledge, they always encouraged him to put God first, and he did. Having received Christ at an early age, Rev. Tucker responded to God's call to the ministry in 1986. He was ordained at Zion Baptist Church in Compton by Rev. C. Albert Henson. There he served faithfully until his health began to fail.

Few invitations to participate in community events were even refused, especially those involving children. "Education," he said, "is what will save our children . . . that, and a firm belief in the Almighty." Dr. Tucker took every opportunity to be among residents of the community, not only as their Mayor but also as their family dentist, their neighbor and their friend.

Dr. Tucker was loved and revered by the young and the old, the rich and the poor—many were the times he would reach into his pocket to give to a person in need. He labored tirelessly to educate, inspire and improve the quality of life for those around him. But on October 1, 1990 at 1:00 p.m., the Lord looked down on the work Walter had done and said, "Well done thou good and faithful servant . . . enter thou into the joy of the Lord."

Dr. Tucker leaves to rejoince in his homegoing his devoted wife, Martha Tucker. Two sons: Walter Rayford Tucker, III and Kenneth Nye Tucker. Two daughers: Keta Gale Tucker-Collins and Camille Elizabeth Tucker. One daughter-in-law: Robin Marie Tucker. Two grandchildren: Walter Rayford Tucker, IV an Autumn Monet Tucker, all of Compton, California. Four brothers: Nye James Tucker, Jr., of Los Angeles, Calif.; Dr. Booker T. Tucker of Compton, Calif.; Wallace Tucker of Inglewood Calif.; and Dr. Sebron Edward Tucker of Rancho Palos Verdes, Calif. Three sisters: Mrs. Mercia McCollum of Los Angeles, Calif.; Mrs. Mary Jane Scott of Pasadena, Calif.; and Mrs. Clara Lyons of Los Angeles, Calif.; and a host of nieces, nephews, other relatives, in-laws, friends, and brothers and sisters in Christ.

May he rest in peace.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, October 9, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 10

9:00 a.m.

Labor and Human Resources

Business meeting, to mark up the proposed Civilian Ex-Prisoners of War Health Benefits Act, to consider budget reconciliation pursuant to the provisions of H. Con. Res. 310, and to consider the nominations of Perry L. Adkisson, of Texas, to be a Member of the National Science Board, National Science Foundation, Richard C. Hackett, of Tennessee, to be a Member of the Board of Trustees, Harry S Truman Scholarship Foundation, J. Michael Farrell, of the District of Columbia, to be a Member, National Commission on Libraries and Information Science, and Mary Louise Smith, of Iowa, to be a Member of the Board of Directors, United States Institute of Peace.

SD-430

9:15 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Sharon P. Rockefeller, of West Virginia, to be a Member of the Board of Directors of the Corporation for Public Broadcasting.

SR-253

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to review the sale of Semi-Gas Company, focusing on antitrust issues and the Committee on Foreign Investment's views.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works

To hold hearings to review the recent Environmental Protection Agency Science Advisory Board report, "Reducing Risk: Setting Priorities and Strategies for Environmental Protection."

SD-406

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine alleged fraud, waste and abuse in Federal student loan programs.

SD-342

10:00 a.m.

Judiciary

To hold hearings on the crisis in the Persian Gulf, focusing on the role of an international criminal tribunal.

SD-226

10:30 a.m.

Select on Intelligence

Closed business meeting, to consider pending calendar business.

SH-219

OCTOBER 11

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Paul K. Dayton, of California, to be a Member of the Marine Mammal Commission, and Sylvia A. Earle, of California, to be Chief Scientist of the National Oceanic and Atmospheric Administration, Department of Commerce.

SR-253

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study to examine the bleaching of Atlantic tropical coral caused by the coral releasing algae and the resulting deterioration of the species.

SR-253

Governmental Affairs

To continue hearings on the Office of Management and Budget's response to the Federal government's management failures.

SD-342

10:00 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

Judiciary

Business meeting, to consider pending calendar business.

SD-226

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on S. 1734, to regulate interstate commerce with respect to parimutuel wagering on greyhound racing, and to maintain the stability of the greyhound racing industry.

SR-253

OCTOBER 12

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Mary S. Brunette, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

SD-538

Finance

Social Security and Family Policy Subcommittee

To hold hearings to examine the problem of Fetal Alcohol Syndrome, focusing on the impact of alcohol abuse on babies on Indian reservations and babies born in public service hospitals.

SD-215

FEBRUARY 26

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of the Disabled American Veterans.

345 Cannon Building

FEBRUARY 28

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, Blinded Veterans Association, Vietnam Veterans of America, Military Order of the Purple Heart, and Non-Commissioned Officers Association.

345 Cannon Building

APRIL 17

9:00 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Ex-Prisoners of War, Jewish War Veterans, and World War I Veterans.

345 Cannon Building